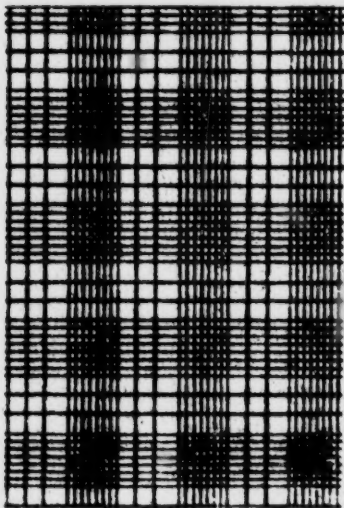
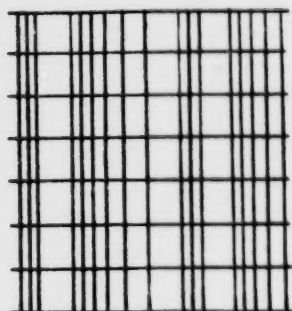




The Corporation of
the City of Thunder Bay



**Financial Statement
Auditor's Report
and
Financial Information Return
for the year
Ended
December 31, 1985**



**1985
Audited
Financial
Statement**

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THE CORPORATION OF THE CITY OF THUNDER BAY
DECEMBER 31, 1985

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AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

AUDITORS' REPORT

To The Members of Council, Inhabitants
and Ratepayers of the Corporation
of The City of Thunder Bay

We have examined the consolidated balance sheet of the Corporation of the City of Thunder Bay as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Thunder Bay as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1986

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 1217

Thorne Riddell

Thorne Riddell
Chartered Accountants
Licence No. 1086

CONSOLIDATED BALANCE SHEET

CITY OF THUNDER BAY

as at December 31, 1985

	1985	1984
ASSETS	\$	\$
Unrestricted		
Cash	16,112,413	17,679,736
Taxes Receivable	3,591,732	4,185,344
User Charges Receivable	1,818,584	1,704,544
Accounts Receivable	9,563,889	10,114,841
Other Current Assets	1,789,322	1,584,162
Long Term Receivables	40,000	40,000
	32,915,940	35,308,627
Less: Allocated as Restricted Assets	(7,482,430)	(8,783,593)
	25,433,510	26,525,034
Restricted		
Cash	10,218,041	6,731,400
Accounts Receivable	88,597	171,854
Other Current Assets	129,674	163,439
Long Term Receivables	-	629,561
Investment in Own Debentures	8,249,400	8,778,500
	18,685,712	16,474,754
Add: Allocated from Above	7,482,430	8,783,593
	26,168,142	25,258,347
Capital Outlay Financed by Long Term Liabilities And to be Recovered in Future Years (note 8)	39,417,535	42,559,348
	91,019,187	94,342,729
LIABILITIES		
Accounts Payable and Accrued Liabilities	13,797,243	11,743,959
Other Current Liabilities	269,417	274,610
	14,066,660	12,018,569
Net Long Term Liabilities (note 8)	39,417,535	42,559,348
Fund Balances at the End of the Year		
To be Used to Offset Taxation or User Charges (note 9)	5,977,721	7,882,276
Unexpended Capital Financing (notes 9,13)	2,677	1,875,009
Reserves (notes 9,10)	5,386,452	4,749,180
Reserve Funds (notes 9,10)	26,168,142	25,258,347
	91,019,187	94,342,729

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED STATEMENT OF OPERATIONS
for the year ended December 31, 1985

CITY OF THUNDER BAY

	Revenue Fund		Capital Fund	Reserve Funds		Reserves	1985 Total	1984 Total
	Budget	Actual		Actual	Actual		Actual	Actual
Sources of Financing								
Taxation and User Charges								
Residential and Farm Taxation	20,279,700	20,291,081					20,293,081	19,101,540
Commercial, Industrial & Business Taxation	22,171,154	22,171,154					22,171,154	21,024,217
Current Years Tax Write-Offs	(38,021)	(38,021)					(38,021)	(353,441)
Taxation from Other Governments	3,870,100	3,868,712					3,868,712	3,639,882
User Charges	20,034,500	19,951,438					19,951,438	17,957,991
Grants								
Government of Canada	86,068	78,321	786,101				864,422	3,893,536
Province of Ontario	44,433,659	44,702,969	5,341,669				50,044,638	48,569,226
Other Municipalities	11,900	17,124					17,124	49,021
Other								
Contributions from Developers	299,770	299,770					299,770	100,289
Investment Income	2,056,900	2,627,733	166,411	2,151,677			4,945,821	5,247,818
Other	952,927	1,073,844	2,525,723	844,468			4,444,035	2,756,761
	113,590,854	115,046,125	8,819,904	2,996,165			126,862,174	121,986,840
Proceeds from the Issue of Long Term Liabilities								1,059,000
Expenditures								
General Government								
Protection to Persons and Property	6,779,647	5,848,411	301,632	328,173			6,478,216	6,350,461
Transportation Services	22,240,922	22,606,998	3,097,321				25,704,319	21,096,061
Environmental Services	20,941,366	20,192,931	6,292,415	14,333			26,499,679	28,256,876
Health Services	14,410,825	13,770,120	2,354,496				16,124,616	15,330,893
Social and Family Services	1,218,661	1,203,472					1,203,472	1,303,956
Recreational and Cultural Services	25,550,799	5,238,377	465,022				25,703,399	23,220,102
Planning and Development	14,773,401	4,723,513	7,947,557				22,671,070	20,972,633
	2,742,977	2,570,826	1,062,340				3,633,166	3,596,485
	108,658,598	107,154,648	21,520,783	342,506			128,017,937	120,127,467
Excess of Financing Over (Under) Expenditures	4,932,256	8,891,477	(12,700,879)	2,653,639			(1,155,763)	2,918,373
Appropriations								
Net Appropriations Between Funds	(10,983,956)	(10,796,032)	10,828,547	(669,787)		637,272		
Fund Balances at Beginning of Year (note 9)	7,362,951	7,132,276	1,875,009	25,258,347		4,749,180	39,764,812	36,846,439
Transfer to Ontario Home Renewal Program Trust Fund (note 4)				(1,074,057)			(1,074,057)	
Fund Balances at End of Year (note 9)	1,311,251	5,977,721	2,677	26,168,142		5,386,452	37,534,992	39,764,812

The accompanying notes are an integral part of this financial statement.

for the year ended December 31, 1985

1. Accounting Policies

(a) Basis of Consolidation

(i) Consolidated Balance Sheet

This statement reflects the assets and the liabilities of the revenue fund, reserve funds and the capital fund and includes the activities of all committees of Council and the following local boards, municipal enterprises and utilities which are under the control of Council:

Thunder Bay Public Library Board
Waterworks Utility
Transit
Parking Authority
Cemeteries
Downtown Business Improvement Areas

All interfund assets and liabilities are eliminated. No loans or advances exist between the reserve funds and other funds of the municipality.

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds, and the capital fund of the municipality and those local boards, municipal enterprises and utilities described in Note 1(a)(i).

All interfund sources of financing and expenditures are eliminated. No interest income and expenditure arising from loans or advances between the reserve funds and other funds of the municipality was incurred in 1985.

(iii) Non-Consolidated Entities

For those local boards, utilities, and enterprises of the municipality which are not consolidated, the "Consolidated Balance Sheet" does not reflect their assets or liabilities except to the extent of amounts due to or from those entities. The "Consolidated Statement of Operations" does not reflect their revenues and expenditures except to the extent of the municipality's contribution to those entities. Those entities which are not consolidated are as follows:

Thunder Bay District Health Unit
Thunder Bay Area Emergency Measures Organization
The Hydro Electric Commission of Thunder Bay
Telecommunication Department
Thunder Bay Non-Profit Housing Corporation
Thunder Bay Community Auditorium

(iv) Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements except to the extent that overlevies (underlevies) are reported in the "Consolidated Balance Sheet".

(v) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately in the "Trust Funds Statement of Continuity and Balance Sheet".

1. Accounting Policies (cont'd)

(b) Basis of Accounting

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the last instalment payments to the end of the financial year.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (iii) The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure in the "Consolidated Statement of Operations" in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness, the principal and interest on the long term indebtedness are also reported in the "Consolidated Statement of Operations" as they are paid.
- (iv) "Capital outlay to be recovered in future years" which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported in the "Consolidated Balance Sheet".

2. Operations of School Boards

Further to note 1(a)(iv), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards, are comprised of the following:

	1985	1984
Taxation	\$35,663,407	\$33,705,199
Payments in Lieu of Taxes	847,176	801,083
Requisitions	36,510,583	34,506,282
Payment of Supplementary Taxes	(36,121,304)	(34,188,992)
Underlevies for the Year	(22,811)	(75,604)
Overlevies at the Beginning of the Year	12,091	87,695
Overlevies (Underlevies) at the End of the Year	\$ (10,720)	\$ 12,091

These revenues and expenditures are not reflected in the "Consolidated Statement of Operations".

The overlevies (underlevies) at the end of the year are reported as other current liabilities (other current assets) in the "Consolidated Balance Sheet".

3. Contributions to Unconsolidated Joint Boards

Further to Note 1(a)(iii), the assets and liabilities of unconsolidated joint boards have not been consolidated and are not reported in the "Consolidated Balance Sheet".

The operations of these joint boards have also not been consolidated. The "Consolidated Statement of Operations" includes only the following contributions made by the municipality to these boards:

	1985	1984
Thunder Bay District Health Unit	\$ 603,039	\$ 727,048
Thunder Bay Emergency Measures Organization	40,350	49,977
	<u>\$ 643,389</u>	<u>\$ 777,020</u>

The Municipality's share of the accumulated surpluses of these joint boards is as follows:

	1985	1984
Thunder Bay District Health Unit	\$ 14,844	\$ 15,388

4. Ontario Home Renewal Program

Effective January 1, 1985, amendments to regulations require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. This transfer of the fund balance has reduced the total opening reserve fund balance by \$1,074,057.

5. Trust Funds

Trust funds administered by the municipality amounting to \$5,844,149 (1984-\$4,677,608) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

6. Liability for Past Service Provision of Pension Agreements

The Corporation has an obligation as at December 31, 1985 to the Ontario Municipal Employees Retirement System for past service pensions in the amount of approximately \$8,982,600 (1984-\$10,329,530). No provision has been made for this liability as at December 31, 1985. The balance of this liability is to be retired by the following payments out of revenue fund revenues:

1986	1 payment @	\$1,030,028	\$ 1,030,028
1987-1988	2 payments @	1,188,479	2,376,958
1989-1992	4 payments @	1,277,697	5,110,788
1993-1998	6 payments @	77,471	464,826
			<u>\$ 8,982,600</u>

An amount of \$1,030,028 (1984-\$1,035,663) was paid from general revenues in 1985 and is reported in the "Consolidated Statement of Operations".

7. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employ.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to approximately \$6,105,000 (1984-\$6,465,000) at the end of the year.

An amount of \$4,459,790 (1984-\$3,931,301) has been provided for this liability in a reserve fund and is reported in the "Consolidated Balance Sheet". Provisions were made in prior years which together with interest have accumulated in this reserve fund.

	<u>1985</u>	<u>1984</u>
8. Net Long Term Liabilities		
(a) The balance of net long term liabilities reported in the "Consolidated Balance Sheet" is made up of the following:		
Total long term liabilities incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	\$47,015,305	\$50,590,804
In addition, the municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by other municipalities. At the end of the year, the outstanding principal amount of this liability is	-	1,400
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated local boards and utilities and other municipalities. At the end of the year, the outstanding principal amount of this liability is	(5,118,343)	(5,843,456)
The balance in the Ministry of the Environment Debt Retirement Fund which has been accumulated to the end of the year to retire outstanding long term liabilities included above amounts to	(2,479,427)	(2,189,400)
Net long term liabilities at the end of the year	<u>\$39,417,535</u>	<u>\$42,559,348</u>

8. Net Long Term Liabilities (cont'd)

- (b) Of the net long term liabilities reported in (a) of this note, \$17,339,933 in principal payments are payable from 1986 to 1990, \$10,862,652 from 1991 to 1995, and \$11,214,950 thereafter and are summarized as follows:

	1986 to 1990	1991 to 1995	1996 And Thereafter	Total
From General Municipal Revenues	\$9,030,244	\$ 6,049,757	\$ 9,252,163	\$24,332,164
From Benefiting Landowners	985,385	1,065,741	950,353	3,001,479
From Consolidated Municipal Enterprises	6,562,483	3,348,060	1,012,434	10,922,977
From Reserve Funds	71,665	57,335	-	129,000
Ministry of the Environment Debt Retirement Fund				
Principal and Estimated Interest Earned on the Fund				
General Municipal	265,155	-	-	265,155
Municipal Enterprises	425,001	341,759	-	766,760
	<u>\$17,339,933</u>	<u>\$10,862,652</u>	<u>\$11,214,950</u>	<u>\$39,417,535</u>

- (c) Included in "Net Long Term Liabilities" in the "Consolidated Balance Sheet" is an amount of \$4,045,000 (1984-\$4,158,000) payable in United States dollars. The Canadian dollar equivalent at December 31, 1985, using the rate of exchange in effect at the time of each U.S. debenture issue, is \$4,115,310, a difference of \$70,310 from the par value in U.S. dollars. The net long term liabilities have not been translated into Canadian dollars to reflect this difference.

If the liability is translated into Canadian dollars at the exchange rate prevailing at December 31, 1985, the liability would be increased by \$1,593,000 (1984-\$1,401,000).

- (d) Approval of the Ontario Municipal Board or approval by private legislation has been obtained, where applicable, for the long term liabilities reported in the "Consolidated Balance Sheet".
- (e) The municipality is contingently liable for long term liabilities for which the responsibility for the payment of principal and interest has been assumed by school boards, unconsolidated municipal enterprises, and utilities. The total amount outstanding as at December 31, 1985 is \$5,118,343 (1984-\$5,843,456) and is not recorded in the "Consolidated Balance Sheet".
- (f) Included in "Net Long Term Liabilities" in the "Consolidated Balance Sheet" is an amount of \$3,994,825 representing a loan from the Province of Ontario under the Downtown Revitalization Program. There is no fixed repayment schedule for this loan. The City is to make payments to the Province until an amount equal to 110 per cent of the loan has been paid. Repayments, according to the agreement, are to be made from tax increments and leases generated from the revitalization area. The original loan amount was \$4,040,000 and \$2,600 was repaid on this loan in 1985.

9. Municipal Fund Balances at the End of the Year

- (a) The balance in the "Consolidated Statement of Operations" of municipal equity of \$37,534,992 (1984-\$39,764,812) at the end of the year is comprised of the following:

	<u>1985</u>	<u>1984</u>
General Ratepayers -		
Revenue Fund		
for Reduction of Taxes	\$ 3,070,289	\$ 5,099,844
Library Board	117,930	98,734
	<u>3,188,219</u>	<u>5,198,578</u>
Designated Ratepayers - Special Areas		
Garbage Collection Area	(84,210)	(172,505)
Street Lighting Area	67,699	(379)
Sewage and Drainage Area	61,056	180,243
Public Transportation Area	160,369	292,761
Local Improvement Ratepayers	501,293	527,132
Business Improvement Areas	37,248	(6,505)
Waterworks - for General		
Reduction of User Charges	2,046,047	1,862,951
	<u>5,977,721</u>	<u>7,882,276</u>
Capital Works in Progress to be		
Financed from the Proceeds of		
Long Term Liabilities	(3,294,527)	(289,118)
Unapplied Capital Receipts Available		
for the Acquisition or Construction		
of Fixed Assets	3,297,204	2,164,127
	<u>2,677</u>	<u>1,875,009</u>
Reserves for Designated Purposes	5,386,452	4,749,180
Reserve Funds for Designated Purposes	26,168,142	25,258,347
	<u>\$ 37,534,992</u>	<u>\$ 39,764,812</u>

- (b) Approval of the Ontario Municipal Board has been obtained for the pending issue(s) of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

10. Reserves and Reserve Funds

The total balance of reserves and reserve funds of \$5,386,452 (1984-\$4,749,180) and \$26,168,142 (1984-\$25,258,347) respectively are made up of the following:

	<u>1985</u>	<u>1984</u>
Reserves Set Aside for Specific Purposes by Council		
For Acquisition or Construction of Fixed Assets	\$ 1,086,452	\$ 749,180
For Working Capital	4,300,000	4,000,000
Total Reserves	<u>5,386,452</u>	<u>4,749,180</u>
Reserve Funds Set Aside for Specific Purposes by Council		
For Acquisition or Construction of Fixed Assets	9,171,413	10,591,360
For Stabilization of Foreign Exchange	675,246	46,468
For Benefits Rate Stabilization	994,482	752,483
For Debt Retirement	4,707,174	3,747,993
For Fire, Collision and Compensation - Self Insurance	4,776,737	4,042,811
For Vested Sick Leave Benefits	4,459,790	3,931,301
	<u>24,784,842</u>	<u>23,112,416</u>
Reserve Funds Set Aside for Specific Purposes by Legislation, Regulation or Agreement		
For Park Purposes	1,383,300	1,071,874
For Loans Under the Ontario Home Renewal Program	-	1,074,057
	<u>1,383,300</u>	<u>2,145,931</u>
Total Reserve Funds	<u>26,168,142</u>	<u>25,258,347</u>
Total Reserves and Reserve Funds	<u>\$31,554,594</u>	<u>\$30,007,527</u>

11. Charges for Net Long Term Liabilities

Total charges for the year for net long term liabilities which are reported in the "Consolidated Statement of Operations" are as follows:

	<u>1985</u>	<u>1984</u>
Principal Payments Including Contributions to the Ministry of the Environment Debt Retirement Fund	\$ 2,896,161	\$ 2,728,227
Interest	4,176,491	4,310,210
	<u>\$ 7,072,652</u>	<u>\$ 7,038,437</u>

The charges for long term liabilities assumed by the non-consolidated entities are not reflected in these statements.

12. Nonaccrual of Interest on Long Term Liabilities

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made, the municipal fund balances as at December 31, 1985 would have been decreased by \$795,785 (1984-\$818,403).

13. Unexpended Capital Financing

Unexpended capital financing of \$2,677 (1984-\$1,875,009) reported in the "Consolidated Balance Sheet" is made up of the following:

	1985	1984
Work in Progress for which Long Term Financing has not been completed as at December 31	\$ (3,294,527)	\$ (289,118)
Unexpended Capital Financing	188,318	-
Unapplied Capital Receipts	3,108,886	2,164,127
	<u>\$ 2,677</u>	<u>\$ 1,875,009</u>

Unapplied capital receipts represents unexpended capital financing from sources such as the sale of City owned lands and the receipt of unconditional capital grants.

14. Capital Financing Reserve Fund

This fund was created to assist the City in the financing of capital works. The aggregate cost of capital works financed from this fund to December 31, 1985 for which debentures would otherwise have been issued, after deducting recoveries from tax levies to that date, amounts to \$2,254,098. It is the present intention to recover this balance from future tax levies and user rates by annual provisions approximately equal to the payment that would have been recovered had debentures been issued as follows:

From Future Tax Levies	\$ 522,392
From Parking Facilities Reserve Fund	1,383,144
From Waterworks	163,201
From Community Auditorium	185,361
	<u>\$ 2,254,098</u>
Unrecovered Capital Expenditures at December 31, 1984	\$ 2,234,935
Capital Works Financed in 1985	224,766
	<u>2,459,701</u>
Recovered in 1985 Tax Levy	\$ 66,441
Transfer from Parking Facilities Reserve Fund	89,356
Transfer from Waterworks	14,349
Transfer from Community Auditorium	35,457
	<u>(205,603)</u>
Unrecovered Capital Expenditures at December 31, 1985	<u>\$ 2,254,098</u>

AUDITOR'S REPORT

Municipality

CORPORATION OF THE CITY OF THUNDER BAY

AUDITORS' REPORT

To The Members of Council, Inhabitants
and Ratepayers of The Corporation of
The City of Thunder Bay

We have examined the balance sheet of the trust funds of the Corporation of the City of Thunder Bay as at December 31, 1985 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

The trust funds of the Corporation of the City of Thunder Bay derive receipts from donations and deposits (withdrawals) for residents of the homes for the aged, the completeness of which is not susceptible to conclusive audit verification. Accordingly, we are unable to determine whether any adjustments for unrecorded receipts might be necessary to the homes for the aged balances at the end of the year.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to the capital receipts for the homes for the aged described in the preceding paragraph, these financial statements present fairly the financial position of the trust funds of the Corporation of the City of Thunder Bay as at December 31, 1985 and the continuity of trust funds for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1986

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 1217

Thorne Riddell

Thorne Riddell
Chartered Accountants
Licence No. 1086

TRUST FUNDS

STATEMENT OF CONTINUITY

for the year ended December 31, 1985

CITY OF THUNDER BAY 5

	Total	Mountain View	Saint Patricks	Compensation	Dawson Court Home for Aged	Grandview Lodge Home for Aged	Cumberland Hall Home for Aged	OHRP	Library
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at Beginning of Year	4,612,483	447,653	69,744	10,853	2,007,300	1,599,992	475,877	-	1,064
Receipts									
Residents' Deposits (Withdrawals) Net	(231,347)								
35% of Sale of Plots	22,117	22,092	25		(128,589)	199,645	(302,403)		
Annual Cost of Plots	460	460							
Transfer from Reserve Fund	1,074,057								
Donations	30								
Earned Interest	450,944	50,790	6,894	482	175,273	155,400	31,925	1,074,057	30
	1,316,261	73,342	6,919	482	46,684	355,045	(270,478)	30,061	119
								1,104,118	149
Expenditures									
Net Investment Earnings	57,684	50,790	6,894						
Compensation Payments	8,776			8,776					
Miscellaneous Service Charges	183				172		11		
Earned Forgiveness	97,306								
Grant for Books	100							97,306	100
	164,049	50,790	6,894	8,776	172	-	11		100
								97,306	100
Balance at End of Year	5,764,695	470,205	69,769	2,559	2,053,812	1,955,037	205,388	1,006,812	1,113

TRUST FUNDS

BALANCE SHEET

as at December 31, 1985

CITY OF THUNDER BAY 5

	Total	Mountain View	Saint Patricks	Compensation	Dawson Court Home for Aged	Grandview Lodge Home for Aged	Cumberland Hall Home for Aged	OHRP	Library
<u>Assets</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash	442,527	28,243	3,060	2,747	153,812	249,064	5,388		213
Investments - Municipal	296,928	296,928							
Term Deposits	4,095,000	171,000	73,000		1,900,000	1,750,000	200,000		1,000
	4,391,928	467,928	73,000		1,900,000	1,750,000	200,000		1,000
<u>Other</u>									
Accrued Interest	2,882	2,274	577	31				189,070	
Due from Revenue Fund	189,070							817,742	
OHRP Loans Receivable	817,742								
	1,009,694	2,274	577	31				1,006,812	
	5,844,149	498,445	76,637	2,778	2,053,812	1,999,064	205,388	1,006,812	1,213
<u>Liabilities</u>									
Due to Revenue Fund	79,454	28,240	6,868	219		44,027			100
Balance - Capital	5,764,695	470,205	69,769	2,559	2,053,812	1,955,037	205,388	1,006,812	1,113
	5,844,149	498,445	76,637	2,778	2,053,812	1,999,064	205,388	1,006,812	1,213



AUDITORS' REPORT

To The Chairman and Members
Thunder Bay Public Library Board

We have examined the balance sheet of the Thunder Bay Public Library Board as at December 31, 1985 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
February 12, 1986
Licence No. 1086

Chartered Accountants

Offices throughout Canada. International Firm Klynveld Main Goerdeler

THUNDER BAY PUBLIC LIBRARY BOARD
BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	<u>1985</u>	<u>1984</u>
Unrestricted		
Cash	\$ 47,530	\$ 2,232
Accounts receivable	8,419	3,709
Due from City of Thunder Bay	331,907	389,125
Due from trust fund	100	
Prepaid expense	<u>24,952</u>	
	412,908	395,066
Less payable to reserve funds	<u>116,011</u>	<u>141,796</u>
	<u>296,897</u>	<u>253,270</u>
Restricted		
Cash and term deposit	8,071	
Receivable from revenue fund	116,011	141,796
Receivable from City of Thunder Bay	<u>188,318</u>	
	<u>312,400</u>	<u>141,796</u>
Capital outlay financed by long term liabilities and to be recovered in future years	<u>348,000</u>	<u>379,000</u>
	<u>\$957,297</u>	<u>\$774,066</u>
 LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$178,967	\$154,536
Long term liabilities financed by the municipality (note 2)	348,000	379,000
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset municipal contribution in subsequent year	117,930	98,734
Unexpended capital financing	188,318	
Reserve funds (note 3)	<u>124,082</u>	<u>141,796</u>
	<u>\$957,297</u>	<u>\$774,066</u>

Commitments (note 4)

The accompanying notes are an integral part of this financial statement.

THUNDER BAY PUBLIC LIBRARY BOARD

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	1985 <u>Budget</u>	1985 <u>Actual</u>	1984 <u>Actual</u>
SOURCES OF FINANCING			
Municipal contribution			
Operating and capital grants	\$3,331,100	\$3,331,100	\$2,778,700
Debenture charges	<u>60,400</u>	<u>60,373</u>	<u>59,542</u>
	<u>3,391,500</u>	<u>3,391,473</u>	<u>2,838,242</u>
Grants			
Province of Ontario			
Per household grant	275,400	283,652	275,390
Wintario grants			8,688
Special grants	22,589	16,455	
Canada special grants	23,068	20,261	
Ontario Library Service grants			
to unorganized townships	4,400	4,886	4,442
Inter-Library loan services	20,000	24,000	22,400
Other special services	27,700	26,033	22,617
Other municipalities (note 4)	<u>11,900</u>	<u>16,948</u>	<u>15,528</u>
	<u>385,057</u>	<u>392,235</u>	<u>349,065</u>
Other			
Charges for lost books	3,400	4,056	3,441
Photo-copying charges	31,700	28,285	30,742
Projector rentals	3,300	4,437	4,366
Donations		30	2,312
Other	<u>9,400</u>	<u>10,591</u>	<u>8,260</u>
	<u>47,800</u>	<u>47,399</u>	<u>49,121</u>
REVENUE FUND BALANCE AT THE BEGINNING OF THE YEAR			
To be used to offset municipal contribution	<u>100,000</u>	<u>98,734</u>	<u>120,685</u>
	<u>\$3,924,357</u>	<u>\$3,929,841</u>	<u>\$3,357,113</u>

	1985 <u>Budget</u>	1985 <u>Actual</u>	1984 <u>Actual</u>
APPLIED TO			
Current operations			
Salaries	\$2,327,300	\$2,267,950	\$2,151,144
Library services	552,300	553,170	539,572
Building and equipment expenses	260,900	260,944	247,356
Administrative and general expenses	278,100	202,999	206,532
Interest charges on debenture	29,400	29,373	31,542
Special government funded projects	45,657	36,716	
	<u>3,493,657</u>	<u>3,351,152</u>	<u>3,176,146</u>
Capital			
Building and equipment	399,700	259,155	43,912
Reduction of debenture Principal	31,000	31,000	28,000
	<u>430,700</u>	<u>290,155</u>	<u>71,912</u>
Net appropriations to (from) reserve fund		(17,714)	10,321
FUND BALANCES AT THE END OF THE YEAR			
To be used to offset municipal contribution in subsequent year		117,930	98,734
Unexpended capital financing		<u>188,318</u>	
		<u>306,248</u>	<u>98,734</u>
	<u>\$3,924,357</u>	<u>\$3,929,841</u>	<u>\$3,357,113</u>

The accompanying notes are an integral part of this financial statement.

THUNDER BAY PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES

- (a) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities financed by the municipality which are charged against operations in the period in which they are recorded by the municipality, and are not accrued for the period from the date of the latest instalment payment to the end of the fiscal year.
- (b) The historical cost and accumulated depreciation of fixed assets are not reported for municipal library purposes. Instead, the capital outlay financed by long term liabilities and to be recovered in future years, which represents the outstanding principal portion of the unmatured long term liability issued by the municipality for library purposes, is reported on the balance sheet.
- (c) This statement reflects the assets and liabilities of the revenue fund, capital fund and reserve funds of the Board.
- (d) Statement of Operations
This statement reflects the combined sources of financing and expenditures of the revenue fund, capital fund and reserve funds of the Board.
- (e) Trust Fund
A trust fund and its related operations administered by the Board is not consolidated, but is reported separately on the trust fund balance sheet and statement of continuity.

THUNDER BAY PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

2. LONG TERM LIABILITIES FINANCED BY THE MUNICIPALITY
The City of Thunder Bay debenture debt for library purposes,
at December 31, is as follows:

	<u>1985</u>	<u>1984</u>	
By-law No. 249/73, 7.75%, maturing December 15, 1993	<u>\$348,000</u>	<u>\$379,000</u>	
Principal and interest payable on this debt within each of the next five years is as follows:			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1986	\$33,000	\$26,970	\$59,970
1987	36,000	24,412	60,412
1988	38,000	21,622	59,622
1989	41,000	18,678	59,678
1990	44,000	15,500	59,500

3. RESERVE FUNDS

	<u>1985</u>	<u>1984</u>
Balance at beginning of year	<u>\$141,796</u>	<u>\$131,475</u>
Revenue		
Contribution from revenue fund	30,056	54,233
Interest	<u>3</u>	<u>3</u>
	30,059	54,233
Expenditure		
Building renovations and equipment	<u>47,773</u>	<u>43,912</u>
	(17,714)	10,321
Balance at end of year	<u>\$124,082</u>	<u>\$141,796</u>
Set aside for specific purposes		
Capital expenditures	\$ 85,955	\$133,728
Acquisition of library materials/ equipment	17,497	8,068
Circulation automation	<u>20,630</u>	<u>3</u>
	<u>\$124,082</u>	<u>\$141,796</u>

THUNDER BAY PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

4. GRANTS FROM OTHER MUNICIPALITIES

The Board provides library services for other municipalities and received grants from these municipalities as follows:

	<u>1985</u>	<u>1984</u>
Municipality of Shuniah		\$ 6,770
Municipality of Paipoonge	\$ 6,742	6,546
Municipality of Neebing	3,016	2,212
Township of Oliver	4,680	
Township of O'Connor	1,372	
Township of Gillies	<u>1,138</u>	
	<u>\$16,948</u>	<u>\$15,528</u>

5. TRUST FUND

Special donations which were received in prior years from the Lake Superior Chapter I.O.D.E. are held in trust by the Board. This trust provides that interest on this fund is to provide for an annual grant of \$100 to be used for the purchase of books or for support of cultural projects in the children's section of the Brodie Street Library. The trust fund balance at December 31, 1985, is \$1,113 (1984, \$1,064).

THUNDER BAY PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

6. COMMITMENTS

- (a) At December 31, 1985, commitments in connection with the uncompleted portion of a contract for the provision of an integrated library information system amount to approximately \$94,200. In addition, an annual charge of \$7,200 is to be provided for operations and software support.
- (b) The Board has entered into an agreement to lease telephone equipment with monthly payments of \$323 until expiry in August, 1992. The aggregate future payments to the expiry date amount to \$25,517. At any time after August 1988, a single amount equal to the present value of the remaining payments can be made to extinguish the obligation. Ontario Municipal Board approval has not been received for this agreement.
- (c) The Board has commitments under long term leases for future rentals of copiers totalling \$41,381 payable over the next five years as follows:

1986	\$ 9,196
1987	9,196
1988	9,196
1989	9,196
1990	<u>4,597</u>

\$41,381

Ontario Municipal Board approval has not been received for these leases.

- (d) The Board also leases premises for its technical services and bookmobile departments for a five year period ending April 1, 1988 at an annual rent of \$17,505 plus its proportionate share of taxes and insurance. Ontario Municipal Board approval has not been received for this lease.

THUNDER BAY PUBLIC LIBRARY BOARD

REVENUE FUND

SCHEDULES OF EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985 <u>Budget</u>	1985 <u>Actual</u>	1984 <u>Actual</u>
Salaries			
Library and administrative staff	\$1,819,600	\$1,804,751	\$1,701,551
Custodial	186,500	188,194	188,158
Fringe benefits	<u>321,200</u>	<u>275,005</u>	<u>261,435</u>
	<u>\$2,327,300</u>	<u>\$2,267,950</u>	<u>\$2,151,144</u>
Library services			
Books	\$ 312,600	\$ 331,340	\$ 315,249
Book processing	64,000	60,795	53,284
Periodicals	34,400	31,193	29,366
Audio visual	40,200	33,488	50,389
Microfilms	11,500	11,376	9,644
Reproducing service expenses	71,900	67,040	61,061
Extension services	<u>17,700</u>	<u>17,938</u>	<u>20,579</u>
	<u>\$ 552,300</u>	<u>\$ 553,170</u>	<u>\$ 539,572</u>
Building and equipment expenses			
Repairs and maintenance	\$ 21,500	\$ 22,413	\$ 21,839
Fuel	34,600	35,725	33,725
Utilities and telex	70,000	66,612	67,889
Insurance	25,500	26,652	24,393
Rental of premises	98,200	98,213	89,310
Custodial supplies and expenses	<u>11,100</u>	<u>11,329</u>	<u>10,200</u>
	<u>\$ 260,900</u>	<u>\$ 260,944</u>	<u>\$ 247,356</u>
Administrative and general expenses			
Office and library supplies and expenses	\$ 59,900	\$ 60,286	\$ 52,263
Conventions, staff development and memberships	32,500	28,419	27,941
Travel and vehicle expenses	26,400	24,759	20,071
Express, cartage and postage	34,300	34,538	32,130
Advertising and promotion	17,700	13,300	15,030
Consultants' fees	15,000	9,325	15,389
Circulation automation	34,100	8,143	
Other general expenses	<u>58,200</u>	<u>24,229</u>	<u>43,708</u>
	<u>\$ 278,100</u>	<u>\$ 202,999</u>	<u>\$ 206,532</u>



AUDITORS' REPORT

To The Chairman and Members
Thunder Bay Public Library Board

We have examined the balance sheet of the trust fund of the Thunder Bay Public Library Board as at December 31, 1985 and the statement of continuity of the trust fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust fund of the Thunder Bay Public Library Board as at December 31, 1985 and the continuity of the trust fund for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
February 12, 1986
Licence No. 1086

Thorne Riddell
Chartered Accountants

THUNDER BAY PUBLIC LIBRARY BOARD

TRUST FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

	ASSETS	<u>1985</u>	<u>1984</u>
CURRENT ASSETS			
Cash		\$ 213	\$ 64
Term deposit 9 5/8%, maturing May, 1986		<u>1,000</u>	<u>1,000</u>
		<u>\$1,213</u>	<u>\$1,064</u>
CURRENT LIABILITIES			
Due to revenue fund		\$ 100	
FUND BALANCE		<u>1,113</u>	<u>\$1,064</u>
		<u>\$1,213</u>	<u>\$1,064</u>

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
BALANCE AT THE BEGINNING OF THE YEAR	<u>\$1,064</u>	<u>\$1,119</u>
Donation	30	
Interest earned	<u>119</u>	<u>45</u>
	<u>149</u>	<u>45</u>
Expenditure		
Grant for books	<u>100</u>	<u>100</u>
BALANCE AT THE END OF THE YEAR	<u>\$1,113</u>	<u>\$1,064</u>

WATERWORKS
STATISTICS

for the year ended December 31, 1985

CITY OF THUNDER BAY A
STATS

(Not Subject to Audit)

	<u>1985</u>	<u>1984</u>
Name of Waterworks		
Estimated Population Served	105,689	106,643
Source of Supply		
Surface		
Miles of Mains		
Under 6"	21.70	21.70
6"	186.32	184.77
8" to 10"	74.42	72.00
12" to 16"	56.38	54.46
Over 16"	47.37	47.37
Annual Quantity of Water Distributed		
Own Municipality	5,733,270,000	5,653,302,000
Treated Storage Capacity	6,900,000	6,900,000
Flows		
Maximum Month	509,755,000	523,307,000
Average Month	477,732,500	471,108,500
Maximum Day	20,051,000	18,725,000
Average Day	15,707,000	15,446,000
Design Average Day	29,000,000	29,000,000
Water Loss (Metered Only)	10%	10%
Usage		
Number of Customers - Residential	31,915	31,647
- Non-Residential	1,720	1,725
Percentage of Water - Residential	60%	60%
- Non-Residential	40%	40%

Water Rates - See Attached Schedule "A"

WATERWORKS

STATISTICS

CITY OF THUNDER BAY

SCHEDULE "A"
to By-law 62-1985

for the year ended December 31, 1985

WATER CONSUMPTION CHARGES

Metered Services

This rate will consist of a charge for each year or fraction of a year thereof as follows:

First Block Rate - \$2.588 per 100 cubic feet.

The first block will be determined by the size of the meter installed and will be 1,000 cubic feet multiplied by the meter factor or meter factors in the case of multiple meter. The meter factors are as follows:

<u>Meter Size</u>	<u>Meter Factor</u>
5/8"	1
3/4"	1.5
1"	2.5
1 1/4"	5
2"	8
3"	15
4"	25
6"	50
8"	80
10"	115
12"	155

Meters larger than 12" will have a proportionate Meter Factor. Minimum charge will be for the first block per quarter.

Second Block Rate - \$0.566 per 100 cubic feet for all in excess of the first block.

Unmetered Services

Domestic Flat Rate

<u>No. of Rooms</u>	<u>Basic Quarterly Charge</u>	<u>Additional Bathrooms</u>
4 or less	\$20.58	\$2.09
5	21.94	2.09
6	23.32	2.09
7	27.42	2.72
8	28.83	2.72
9 to 12	32.95	3.43
Over 12	34.30	3.43

The basic quarterly charge shall include three bathroom fixtures (not including shower), kitchen taps, and outside taps. The minimum quarterly charge shall be the same as for metered services.

Additional Charges

Taps	\$1.39
Showers	2.72
Automatic Washers	1.39
Hot Water or Steam Head	1.39

WATERWORKS

STATEMENT OF REVENUE AND EXPENDITURE

CITY OF THUNDER BAY A-1

for the year ended December 31, 1985

	1985 <u>Budget</u>	1985 <u>Actual</u>	1984 <u>Actual</u>
	\$	\$	\$
Accumulated Net Revenue (Deficit) at the Beginning of the Year	1,862,951	1,862,951	1,725,489
Expenditure			
<u>Operations</u>			
Water Supply	206,300	180,658	167,005
Power and Pumping	618,800	605,480	590,452
Water Transmission & Distribution	1,921,600	1,673,476	1,398,344
Administration	1,580,800	1,568,667	1,474,954
Total Operating Expenditure	4,327,500	4,028,281	3,630,755
Provision for Foreign Exchange	-	116,835	-
Principal Payments and Interest			
Charges on Long Term Debt	1,917,817	1,917,589	1,754,671
Capital Expenditure Out of			
Current Revenue	1,055,800	643,975	926,926
Other	34,183	33,183	34,451
Total Expenditure	7,335,300	6,739,863	6,346,803
Revenue			
Sale of Water	6,395,100	6,542,752	6,098,223
Municipal Contribution	34,100	33,179	33,179
Fire Protection	342,900	338,680	342,890
Other Revenue	11,500	8,348	9,973
Total Revenue	6,783,600	6,922,959	6,484,265
Accumulated Net Revenue (Deficit) at the End of the Year	1,311,251	2,046,047	1,862,951

WATERWORKS

CHANGES IN FINANCIAL POSITION

CITY OF THUNDER BAY A-2

for the year ended December 31, 1985

	<u>1985</u>	<u>1984</u>
	\$	\$
Source of Funds		
Total Revenue	6,922,959	6,484,265
Total Operating Expenditure	4,028,281	3,630,755
Total Provided from Operations	2,894,678	2,853,510
Capital Funds Transferred from the Municipality	492,808	380,516
	<u>3,387,486</u>	<u>3,234,026</u>
Application of Funds		
Capital Expenditures		
Land	-	22,231
Buildings	27,424	4,939
Engineering Structures	1,064,356	1,210,550
Machinery and Equipment	45,003	69,722
	<u>1,136,783</u>	<u>1,307,442</u>
Principal Payments and Interest Charges on Long Term Debt	1,917,589	1,754,671
Provision for Foreign Exchange	116,835	-
Legal Costs re Debentures	-	1,268
Contribution to Capital Financing Reserve Fund General Section	33,183	33,183
	<u>3,204,390</u>	<u>3,096,564</u>
Net Increase (Decrease) in Working Capital	183,096	137,462
Working Capital at the Beginning of the Year	<u>1,862,951</u>	<u>1,725,489</u>
Working Capital at the End of the Year	<u><u>2,046,047</u></u>	<u><u>1,862,951</u></u>

WATERWORKS

BALANCE SHEET

CITY OF THUNDER BAY A-3

as at December 31, 1985

	<u>1985</u>	<u>1984</u>
	\$	\$
<u>ASSETS</u>		
Accounts Receivable	1,818,584	1,704,544
Due from City Revenue Fund	268,550	-
Inventory of Materials	237,160	265,365
	<u>2,324,294</u>	<u>1,969,909</u>
Capital Outlay to be Recovered in Future Years from Waterworks Revenue	9,057,927	9,886,968
Watermains - Work in Progress	512,067	226,843
Due from Ministry of Environment Reserve Fund	129,674	116,873
Total Assets	<u><u>12,023,962</u></u>	<u><u>12,200,593</u></u>

LIABILITIES

Accounts Payable	278,247	47,544
Due to City Revenue Fund	-	59,414
	<u>278,247</u>	<u>106,958</u>
Payable to Own Municipality for Waterworks under Construction	512,067	226,843
Long Term Debt Financed by the Municipality	9,057,927	9,886,968
Reserves and Reserve Funds	129,674	116,873
Accumulated Net Revenue (Deficit)	2,046,047	1,862,951
Total Liabilities	<u><u>12,023,962</u></u>	<u><u>12,200,593</u></u>

WATERWORKS

MINISTRY OF THE ENVIRONMENT
RESERVE FUND FOR CONTINGENCIES

CITY OF THUNDER BAY A-4

for the year ended December 31, 1985

	\$
Balance at the Beginning of the Year	116,873
Revenue	
Interest Earned	<u>12,801</u>
Balance at the End of the Year	<u><u>129,674</u></u>

WATERWORKS

NOTES TO FINANCIAL STATEMENT

CITY OF THUNDER BAY A-5

for the year ended December 31, 1985

Watermains constructed in 1976 and 1980 were financed from the City Capital Financing Reserve Fund. It is the present intention to recover these costs from the waterworks utility by annual provisions approximately equal to the annual payment that would have been recovered had debentures been issued. The unrecovered balance of this amount as at December 31, 1985 amounted to \$163,201 and is not included in Long Term Debt on the Balance Sheet.

WATERWORKS

ANALYSIS OF REVENUE

CITY OF THUNDER BAY A 1-1

for the year ended December 31, 1985

	<u>1985</u>	<u>1984</u>
	\$	\$
Sale of Water	6,542,752	6,098,223
Municipal Contribution		
Frontage Charges	33,179	33,179
Fire Protection		
Own Municipality	338,680	342,890
Other Revenue		
Installation and Service Charges	<u>8,348</u>	<u>9,973</u>
Total Revenue	<u><u>6,922,959</u></u>	<u><u>6,484,265</u></u>

WATERWORKS

ANALYSIS OF EXPENDITURE

CITY OF THUNDER BAY A 1-2

for the year ended December 31, 1985

	Salaries Wages and Fringe Benefits	Material Supplies and Utilities	Other Services	Total
	\$	\$	\$	\$
Water Supply	60,016	94,045	26,597	180,658
Power and Pumping	222,103	335,787	47,590	605,480
Water Transmission and Distribution				
Mains	493,385	103,456	358,410	955,251
Meters	123,798	96,283	14,825	234,906
Services	339,645	36,345	107,329	483,319
	956,828	236,084	480,564	1,673,476
Administration				
General Administration	742,113	9,356	58,112	809,581
Billing and Data Processing	269,737	16,053	131,135	416,925
Other Administrative Expense	167,126	5,283	25,630	198,039
Grant in Lieu of Taxes			143,422	143,422
Bad Debts Written Off			700	700
	1,178,976	30,692	358,999	1,568,667
Total Operating Expenditure	2,417,923	696,608	913,750	4,028,281
Principal Payments on Long Term Debt			744,523	744,523
Ministry of the Environment Sinking Fund Debentures			20,121	20,121
			764,644	764,644
Interest Charges on Long Term Debt			1,152,945	1,152,945
Provision for Foreign Exchange			116,835	116,835
			2,034,424	2,034,424
Capital Expenditure out of Current Revenue			643,975	643,975
Contribution to Capital Financing Reserve Fund General Section			33,183	33,183
Total Expenditure	2,417,923	696,608	3,625,332	6,739,863

TRANSIT
STATISTICS

CITY OF THUNDER BAY

B
STATS

for the year ended December 31, 1985

	<u>1985</u>	<u>1984</u>
Passengers		
Adult Tickets	718,740	778,270
Child Tickets	44,420	57,718
Student Tickets	614,780	612,562
Pensioners	334,940	377,963
Others	56,100	35,376
Cash Fares	2,277,686	2,792,834
Total Passengers	<u>4,046,666</u>	<u>4,654,723</u>
Revenue Klm.		
Regular	3,625,660	3,576,491
Charter and Other	38,256	31,400
Miles of Street with Transit Service	349	349
Population Served	113,000	112,500
Area Served (square miles)	249	249
Fare Structure (detail):		
Adults .85 20 rides - 16.25		
Children .50 20 rides - 9.50		
Students .60 20 rides - 11.50		
Senior Citizens .35 20 rides - 6.75		
Disabled-With I.D..40 20 rides - 7.50		
Average Fare	.715	.57
Passenger Vehicles (by type):		
GMC Diesel 51 Passenger Buses	65	65
Number of Employees:		
Operators	119	119
Supervisors and Inspectors	12	12
Maintenance	30	30
Other	6	6
Maximum Operator Hourly Rate	12.35	11.48

NOT SUBJECT TO AUDIT

TRANSIT

STATEMENT OF REVENUE AND EXPENDITURE

CITY OF THUNDER BAY B-1

for the year ended December 31, 1985

	1985 <u>Budget</u>	1985 <u>Actual</u>	1984 <u>Actual</u>
	\$	\$	\$
<u>Revenue</u>			
Regular Passenger Revenue	2,663,100	2,720,632	2,564,031
Charter	78,600	62,543	54,668
Contract	29,600	32,768	30,357
Advertising	63,000	51,800	53,475
Other	1,000	863	-
Total Revenue	<u>2,835,300</u>	<u>2,868,606</u>	<u>2,702,531</u>
<u>Expenditure - Operations</u>			
Transportation	4,035,200	4,161,587	4,029,335
Fuel	1,054,100	927,317	901,768
Equipment and Vehicle Maintenance	1,797,000	1,625,858	1,585,772
Premises and Plant	568,600	480,349	425,161
General and Administrative	1,072,400	1,020,218	929,587
Total Operating Expense	<u>8,527,300</u>	<u>8,215,329</u>	<u>7,871,623</u>
Principal Payment on Long Term Debt	16,000	15,946	14,175
Interest on Long Term Debt	29,800	29,777	31,303
Capital Expenditure Out of Current Revenue	35,700	43,220	22,380
Accounts Receivable Write-off	-	1,413	1,634
Transfer to Reserve for Equipment	57,500	57,500	68,600
Total Expenditures	<u>8,666,300</u>	<u>8,363,185</u>	<u>8,009,715</u>
Excess of Expenditures over Revenues for the Year 1985	5,831,000	5,494,579	5,307,184
Transportation for the Handicapped	430,200	307,722	-
	<u>6,261,200</u>	<u>5,802,301</u>	<u>5,307,184</u>
<u>Municipal Contribution Financed By:</u>			
Ministry of Transportation and Communication			
Operating Subsidy	2,464,500	2,092,004	1,994,497
Grant for the Transportation of the Handicapped	353,500	246,407	-
General Revenue	3,443,200	3,463,890	3,312,687
Total Municipal Contribution	<u>6,261,200</u>	<u>5,802,301</u>	<u>5,307,184</u>

TRANSIT

CHANGE IN FINANCIAL POSITION

CITY OF THUNDER BAY R-2

for the year ended December 31, 1985

	<u>1985</u>	<u>1984</u>
	\$	\$
<u>Source of Funds</u>		
Total Revenue	2,868,606	2,702,531
Total Operating Expense	8,215,329	7,871,623
Total Transportation for the Handicapped	307,722	-
Total Provided from Operations	(5,654,445)	(5,169,092)
Capital Funds Transferred From the Municipality	15,310	10,563
Municipal Contribution	5,802,301	5,307,184
	<u>163,166</u>	<u>148,655</u>
<u>Application of Funds - Capital Expenditure</u>		
Engineering Structures	3,996	2,061
Machinery and Equipment	41,938	9,186
Passenger Vehicles	9,286	2,400
Other	21,067	31,367
	<u>76,287</u>	<u>45,014</u>
Principal Payments on Long Term Debt	15,946	14,175
Interest Charges on Long Term Debt	29,777	31,303
Accounts Receivable Written Off	1,413	1,634
	<u>123,423</u>	<u>92,126</u>
Net Increase (Decrease) in Working Capital	39,743	56,529
Working Capital at the Beginning of the Year	<u>78,586</u>	<u>22,057</u>
Working Capital at the End of the Year	<u><u>118,329</u></u>	<u><u>78,586</u></u>

TRANSIT

BALANCE SHEET

CITY OF THUNDER BAY R-3

as at December 31, 1985

<u>ASSETS</u>	<u>1985</u>	<u>1984</u>
	\$	\$
Current Assets		
Accounts Receivable	35,244	16,442
Inventories	212,471	194,440
	247,715	210,882
Capital Outlay to be Recovered in Future Years	275,810	291,756
Total Assets	<u>523,525</u>	<u>502,638</u>

LIABILITIES

Current Liabilities		
Accounts Payable and Accrued Liabilities	38,006	20,740
Due to Municipality	91,380	111,556
	129,386	132,296
Long Term Debt Financed by The Municipality	275,810	291,756
Reserves and Reserve Funds (Note 1)	118,329	78,586
Total Liabilities	<u>523,525</u>	<u>502,638</u>

TRANSIT

ANALYSIS OF REVENUE

CITY OF THUNDER BAY B-4

for the year ended December 31, 1985

	<u>1985</u>	<u>1984</u>
	\$	\$
Regular Passenger Service		
Fares	2,720,632	2,564,031
Contract Service	32,768	30,357
Charter, Sightseeing & Other	62,543	54,668
Advertising	51,800	53,475
Other	863	-
Total Revenue	<u>2,868,606</u>	<u>2,702,531</u>

TRANSIT

ANALYSIS OF EXPENDITURE

CITY OF THUNDER BAY B-5

for the year ended December 31, 1985

	<u>Salaries Wages and Fringe Benefits</u>	<u>Material Supplies and Utilities</u>	<u>Services and Rents</u>	<u>Other</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Transportation	4,069,745	90,364		1,478	4,161,587
Fuel and Fuel Taxes		927,317			927,317
Equipment and Vehicle Maintenance	1,014,372	611,486			1,625,858
Premises and Plant	35,966	152,576	291,807		480,349
General and Administration	885,391	38,800	96,027		1,020,218
Principal Payments on Long Term Debt				15,946	15,946
Interest Payments on Long Term Debt				29,777	29,777
Accounts Receivable Written Off				1,413	1,413
Capital Expenditure Out of Current Revenue				43,220	43,220
Transfer to Reserve for Equipment				57,500	57,500
Contribution to Transpor- tation for the Handicapped				307,722	307,722
	<u>6,005,474</u>	<u>1,820,543</u>	<u>387,834</u>	<u>457,056</u>	<u>8,670,907</u>

TRANSIT

NOTES TO FINANCIAL STATEMENTS

CITY OF THUNDER BAY R-6

for the year ended December 31, 1985

1. <u>Reserve for Capital Expenditure</u>	\$
Balance December 31, 1984	78,586
Provision for Capital Expenditures and Equipment	57,500
Contribution for Capital Expenditure and Equipment	(17,757)
Balance December 31, 1985	<u>118,329</u>

2. Commitments

The City of Thunder Bay has a liability as at December 31 1985 to the Ontario Municipal Employees Retirement System for supplementary benefits for its transit employees in the amount of \$168,104.

This liability will be retired by the following payments:

1986	1 payment @ 24,854	24,854
1987	6 payments @ 23,875	143,250
		<u>168,104</u>

This liability is not included on the Balance Sheet as at December 31, 1985.

3. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to approximately \$238,000 at the end of the year. It is the policy of the City to provide in the current year's expenditures for cumulative sick leave payments made to employees during the year. Accordingly, the above accrued liability is not included as a liability on the Balance Sheet as at December 31, 1985.

AUDITORS' REPORT

To The Members of Council, Inhabitants
and Ratepayers of the Corporation
of the City of Thunder Bay

We have examined the balance sheet of the Corporation of the City of Thunder Bay Parking Authority as at December 31, 1985 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

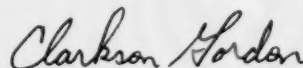
Due to its nature, revenue from certain parking meter receipts is not susceptible to independent audit verification and therefore our tests on such revenue were limited to a comparison of receipt records with bank deposits. Accordingly, we were not able to determine whether any adjustments might be necessary to excess of expenditure over revenue.

In our opinion, except for the effects, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to certain revenues as explained in the preceding paragraph, these financial statements present fairly the financial position of the Corporation of the City of Thunder Bay Parking Authority as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1986



Thorne Riddell
Chartered Accountants,
Licence No. 1086



Clarkson Gordon
Chartered Accountants,
Licence No. 1217

PARKING AUTHORITY

BALANCE SHEET

CITY OF THUNDER BAY Y-1

as at December 31, 1985

ASSETS

Parking Facilities at Amount of Outstanding Debenture Debt

North Ward Parking Structure	866,000	
South Ward Parking Structure	1,490,000	2,356,000

LIABILITIES

Debenture Debt Outstanding	2,356,000
----------------------------	-----------

NOTE: A portion of the cost of parking facilities acquired in 1985 and prior years was financed from the City Capital Financing Reserve Fund. It is the present intention to recover these costs from the Parking Facilities Reserve Fund by annual provisions approximately equal to the annual payments that would have been recovered had debentures been issued. The unrecovered balance of this amount as at December 31, 1985 amounted to \$1,383,144 and is not included in long-term debt above.

PARKING AUTHORITY
STATEMENT OF REVENUE AND EXPENDITURE
for the year ended December 31, 1985

CITY OF THUNDER BAY X-2

	1985 \$	1984 \$
REVENUE		
Parking Meter Receipts and Lot Rental	928,846	869,383
Parking Meter Fines	320,861	236,611
City Parking Stickers & Visitors Parking	27,447	22,029
TOTAL REVENUE	<u>1,277,154</u>	<u>1,128,023</u>
EXPENDITURE		
Salaries and Wages	322,971	287,558
Commissionaires	218,978	214,537
Taxes	144,115	143,332
Stationery, Office and General Expense	247,377	134,573
Repairs and Maintenance	65,025	73,046
City Owned Equipment Rental	2,817	50
Rent	5,000	5,000
Utilities	47,823	43,898
	<u>1,054,106</u>	<u>901,994</u>
Debenture Debt Charges		
Principal	334,000	302,000
Interest	296,141	329,173
	<u>630,141</u>	<u>631,173</u>
Repayment to Capital Financing Reserve Fund	163,122	149,412
TOTAL EXPENDITURE	<u>1,847,369</u>	<u>1,682,579</u>
Excess of Expenditure over Revenue Transferred to Parking Facilities Reserve Fund	<u>(570,215)</u>	<u>(554,556)</u>

MOUNTAIN VIEW CEMETERY

STATEMENT OF REVENUE AND EXPENDITURE

CITY OF THUNDER BAY W-2

for the year ended December 31, 1985

	\$	\$
<u>Revenue</u>		
Sale of Plots		63,115
Less Portion Transferred to the Perpetual Care Fund Capital Account (35% Sale of Plots)		22,090
		<u>41,025</u>
Transfer from the Perpetual Care Fund Income Account (Net Investment Earnings)		50,790
Burial Charges - Opening and Closing		56,259
Miscellaneous Revenue		
Transfer Fees	14	
Non-Resident Fees	<u>2,563</u>	2,577
Provided by Municipality from Tax Levy		<u>108,305</u>
Total Revenue		<u>258,956</u>
 <u>Expenditure</u>		
Administration and General		1,950
Maintenance and Care of Buildings, and Grounds (Undeveloped Land)		42,998
Salaries and Benefits		<u>214,008</u>
Total Expenditure		<u>258,956</u>
Surplus (Deficit) for Year		<u>N11</u>
Surplus (Deficit), January 1, 1985		<u>N11</u>
Surplus (Deficit, December 31, 1985		<u><u>N11</u></u>

SAINT PATRICK'S CEMETERY

STATEMENT OF REVENUE AND EXPENDITURE

CITY OF THUNDER BAY W-2

for the year ended December 31, 1985

	\$	\$
<u>Revenue</u>		
Sale of Plots		76
Less Portion Transferred to the Perpetual Care Fund Capital Account (35% Sale of Plots)		27
		<u>49</u>
Transfer from the Perpetual Care Fund Income Account (Net Investment Earnings)		6,894
Burial Charges - Opening and Closing		7,110
Miscellaneous Revenue		
Transfer Fees	2	
Non-Resident Fees	263	265
Provided by Municipality from Tax Levy		<u>24,741</u>
Total Revenue		<u>39,059</u>
 <u>Expenditure</u>		
Maintenance and Care of Buildings and Grounds (Undeveloped Land)		8,191
Salaries and Benefits		30,868
Total Expenditure		<u>39,059</u>
 Surplus (Deficit) for Year		<u>N11</u>
 Surplus (Deficit), January 1, 1985		<u>N11</u>
 Surplus (Deficit), December 31, 1985		<u><u>N11</u></u>



A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

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215 Red River Road
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Thunder Bay, Canada P7B 5J9
Telephone (807) 345 3621

AUDITORS' REPORT

To the Mayor and Members of Council
of the City of Thunder Bay.

We have examined the revenue and trust fund balance sheets of Dawson Court Home for the Aged (including its satellite home for the aged, Cumberland Hall) as at December 31, 1985 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

Deposits received from residents of the Homes for the Aged are not susceptible of complete audit verification. Accordingly we were unable to determine whether any adjustments might be necessary to the amounts shown as deposits received from and due to residents.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to the deposits received from and due to residents described in the preceding paragraph, these financial statements present fairly the financial position of the Home as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
March 26, 1986.

Chartered Accountants.
Licence Number 001217.

DAWSON COURT HOME FOR THE AGED
 (including its satellite home for the aged, Cumberland Hall)
 — (An institution governed by the Homes For The Aged and Rest Homes Act)

BALANCE SHEETS

DECEMBER 31, 1985
 (with comparative figures at December 31, 1984)

	<u>1985</u>	<u>1984</u>
<u>ASSETS</u>		
<u>Revenue Fund</u>		
Accounts receivable - Province of Ontario	\$ 739,352	\$ 656,730
- Other	<u>186,377</u>	<u>200,878</u>
	<u>\$ 925,729</u>	<u>\$ 857,608</u>
<u>Trust Fund</u>		
Cash	\$ 159,200	\$ 548,176
Deposit receipts	<u>2,100,000</u>	<u>1,935,000</u>
	<u>\$2,259,200</u>	<u>\$2,483,176</u>
<u>LIABILITIES</u>		
<u>Revenue Fund</u>		
Unexpended donations	\$ 2,496	\$ 5,132
Due to The City of Thunder Bay	<u>923,233</u>	<u>852,476</u>
	<u>\$ 925,729</u>	<u>\$ 857,608</u>
<u>Trust Fund</u>		
Due to residents	<u>\$2,259,200</u>	<u>\$2,483,176</u>

(See notes to financial statements)

DAWSON COURT HOME FOR THE AGED
(including its satellite home for the aged, Cumberland Hall)

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	<u>1985</u>	<u>1984</u>
Revenue:		
Resident payments for maintenance	\$2,219,622	\$1,978,290
City of Thunder Bay - revenue fund	983,054	805,358
- reserve for capital	14,310	3,500
Province of Ontario	<u>3,688,372</u>	<u>3,305,005</u>
	<u>\$6,905,358</u>	<u>\$6,092,153</u>
Expenditure (net of sundry recoveries):		
Residents' social services, activities and comforts	\$ 333,533	\$ 302,200
Dietary services	1,330,015	1,194,610
Residents' medical - nursing services	3,013,616	2,632,959
Housekeeping services	567,031	492,519
Laundry and linen services	138,022	114,204
Building and property - operation and maintenance	706,305	646,931
General and administrative	643,546	587,174
Approved drugs and pharmaceuticals	61,855	54,030
Physicians' fees	5,788	5,981
Capital expenditures	39,435	14,557
Meals on wheels	18,643	16,606
Staff development	<u>47,569</u>	<u>30,382</u>
	<u>\$6,905,358</u>	<u>\$6,092,153</u>

(See notes to financial statements)

DA'SON COURT HOME FOR THE AGED
(including its satellite home for the aged, Cumberland Hall)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. Accounting policies

(a) Fund accounting -

The financial statements have been prepared by the Home in accordance with the principles of "fund accounting" that are prescribed by the Ministry of Community and Social Services and the Homes for the Aged and Rest Homes Act and are considered appropriate for Ontario Municipal organizations. Under these principles, resources for various purposes are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. Separate accounts are maintained for each fund to ensure observance of the limitations and restrictions placed on the use of resources.

The Revenue Fund is used to account for administrative and operational costs financed by maintenance fees, subsidies from the Province of Ontario and the City of Thunder Bay, and sundry revenue, and the related assets and liabilities.

The Trust Fund is used to account for monies received from and held in trust for the residents of the Home. Interest earned on these funds is recorded on a cash basis.

(b) Fixed assets -

Fixed assets are charged to current expenditures unless financed by long-term debt. Fixed assets are included in the balance sheet only to the extent of the balance of the related net long-term liabilities outstanding at the end of the fiscal year. At December 31, 1985 and 1984 there were no long-term liabilities.

2. Prior year's figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.



AUDITORS' REPORT

To The Mayor and Members of Council
of the Corporation of the City of Thunder Bay

We have examined the balance sheet of Grandview Lodge Home for the Aged as at December 31, 1985, and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Home as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
March 25, 1986
Licence No. 1086

Thorne Riddell
Chartered Accountants

GRANDVIEW LODGE HOME FOR THE AGED
BALANCE SHEET AS AT DECEMBER 31, 1985

	ASSETS	1985	1984
CURRENT ASSETS			
Cash		\$ 1,800	\$ 1,800
Grants receivable from Province of Ontario		943,761	757,303
Due from Residents' Trust Fund		44,027	30,097
Other accounts receivable		<u>139,159</u>	<u>133,008</u>
		<u>\$1,128,747</u>	<u>\$922,208</u>
LIABILITIES			
CURRENT LIABILITIES			
Due to City of Thunder Bay		\$1,125,181	\$913,324
Due to Municipality of Neebing			8,105
Unexpended donations		<u>3,566</u>	<u>779</u>
		<u>\$1,128,747</u>	<u>\$922,208</u>

The accompanying notes are an integral part of this financial statement.

GRANDVIEW LODGE HOME FOR THE AGED
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
REVENUE		
Province of Ontario grants	\$4,176,037	\$3,616,902
Government of Canada grant		4,502
Residents' payments for maintenance	1,961,867	1,799,584
City of Thunder Bay	1,208,671	868,243
Other	<u>225,587</u>	<u>196,714</u>
	<u>\$7,572,162</u>	<u>\$6,485,945</u>
EXPENDITURE		
Residents' social services, activities and comforts	\$ 426,150	\$ 399,972
Dietary services	1,288,615	1,141,175
Residents' medical, nursing services	3,159,723	2,780,794
Housekeeping services	464,264	410,190
Laundry and linen services	463,609	390,869
Educational services	81,266	76,122
Building and property, operation and maintenance	611,972	564,969
General and administrative	674,901	606,567
Approved drugs and pharmaceuticals	126,579	106,012
Experience '82		4,502
Capital expenditures		
Renovations	272,675	2,000
Other	<u>2,408</u>	<u>2,773</u>
	<u>\$7,572,162</u>	<u>\$6,485,945</u>

The accompanying notes are an integral part of this financial statement.

GRANDVIEW LODGE HOME FOR THE AGED

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES

- (a) Revenues and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (b) Fixed assets
The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Purchases of fixed assets are included in expenditure in the year of acquisition.
- (c) Trust funds
Trust funds and their related operations administered by the Home are not consolidated but are reported separately on the Trust Funds statement of continuity and balance sheet. Trust funds represent funds held in trust for the residents of the Home. Interest earned on these funds is recorded on a cash basis.

**AUDITORS' REPORT**

To The Mayor and Members of Council
of the Corporation of the City
of Thunder Bay

We have examined the balance sheet of the Residents' Trust Fund of Grandview Lodge Home for the Aged as at December 31, 1985 and the statement of continuity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

Due to their nature, amounts received by the residents' trust fund on behalf of residents are not susceptible to complete audit verification. Accordingly our verification of such receipts was limited to accounting for the amounts recorded in the records.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to trust fund capital receipts described in the preceding paragraph, these financial statements present fairly the financial position of the trust fund of the Home as at December 31, 1985 and the continuity of trust funds for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
March 25, 1986
Licence No. 1086

Chartered Accountants

GRANDVIEW LODGE HOME FOR THE AGED
RESIDENTS' TRUST FUND
BALANCE SHEET AS AT DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
CURRENT ASSETS		
Cash	\$ 249,064	\$ 125,089
Term deposits (at face value)	<u>1,750,000</u>	<u>1,505,000</u>
	<u>\$1,999,064</u>	<u>\$1,630,089</u>

LIABILITIES AND FUND BALANCE

LIABILITIES		
Due to revenue fund	\$ 44,027	\$ 30,097
FUND BALANCE	<u>1,955,037</u>	<u>1,599,992</u>
	<u>\$1,999,064</u>	<u>\$1,630,089</u>

STATEMENT OF CONTINUITY
YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
BALANCE AT BEGINNING OF YEAR	<u>\$1,599,991</u>	<u>\$1,505,006</u>
Capital receipts		
Residents' deposits		
(withdrawals) net	199,646	(50,291)
Interest earned	<u>155,400</u>	<u>145,276</u>
	<u>355,046</u>	<u>94,985</u>
BALANCE AT END OF YEAR	<u>\$1,955,037</u>	<u>\$1,599,991</u>

AUDITOR'S REPORT

CORPORATION OF THE
CITY OF THUNDER BAY

To the Board of Management
for the Thunder Bay North
Downtown Improvement Area

We have examined the balance sheet of the Thunder Bay North
Downtown Improvement Area as at December 31, 1985 and the
statement of revenue and expenditure for the year then ended.
Our examination was made in accordance with generally accepted
auditing standards, and accordingly included such tests and other
procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly
the financial position of the Improvement Area Board as at
December 31, 1985 and the results of its operations for the year
then ended applied on a basis consistent with that of the
preceding year.

Thunder Bay, Canada
April 12, 1986

Thorne Riddell

Thorne Riddell
Chartered Accountants,
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants,
Licence No. 1217

BOARD OF MANAGEMENT FOR THE
THUNDER BAY NORTH DOWNTOWN IMPROVEMENT AREA
BALANCE SHEET

as at December 31, 1985

	<u>1985</u>	<u>1984</u>
	\$	\$
<u>ASSETS</u>		
Under-levy to be Recovered from Future Tax Levies	<u>5,643</u>	<u>6,505</u>
 <u>LIABILITIES</u>		
Due to City of Thunder Bay	<u>5,643</u>	<u>6,505</u>

BOARD OF MANAGEMENT FOR THE
THUNDER BAY NORTH DOWNTOWN IMPROVEMENT AREA
STATEMENT OF REVENUE AND EXPENDITURE
for the year ended December 31, 1985

	<u>1985</u>	<u>1984</u>
	\$	\$
<u>Revenue</u>		
Taxes Levied Including Supplementary Taxes of \$8,989 (\$2,687 in 1984)	95,494	87,687
Less: Taxes Written Off	(11,810)	(8,923)
	<u>83,684</u>	<u>78,764</u>
Contribution from City of Thunder Bay	73,404	46,000
	<u>157,088</u>	<u>124,764</u>
<u>Expenditure</u>		
Advertising	5,622	20,813
Consulting	26,507	23,052
Construction Costs	117,045	80,167
Moving Expenses	1,967	-
Salaries and Benefits	2,821	-
Other	2,264	1,967
	<u>156,226</u>	<u>125,999</u>
Excess of Expenditure over Revenue	(862)	1,235
Under-levies Beginning of Year	<u>6,505</u>	<u>5,270</u>
Under-levies End of Year to be Recovered from Future Levies	<u>5,643</u>	<u>6,505</u>

To the Board of Management
for the Victoriaville Business
Improvement Area

We have examined the balance sheet of the Victoriaville Business Improvement Area as at December 31, 1985 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Improvement Area Board as at December 31, 1985 and the results of its operations for the year then ended applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1986

Thorne Riddell

Thorne Riddell
Chartered Accountants,
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants,
Licence No. 1217

BOARD OF MANAGEMENT FOR THE
VICTORIAVILLE BUSINESS IMPROVEMENT AREA
BALANCE SHEET

as at December 31, 1985

ASSETS

Due from City of Thunder Bay

\$
42,891

LIABILITIES

Over-levy to be Used in a Future Year

42,891

BOARD OF MANAGEMENT FOR THE
VICTORIAVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1985

\$

Revenue

Taxes Levied Including Supplementary
Taxes of \$5,951

55,951

Less: Taxes Written Off

(3,929)

52,022

Expenditure

Advertising and Promotion
Consulting
Other

1,340

6,962

829

9,131

Over-levy End of Year to be Used in Future Year

42,891

ACCOUNTANTS' REPORT

Our examination of the financial statements of the Corporation of the City of Thunder Bay for the year ended December 31, 1985 was made for the purpose of forming an opinion on the consolidated financial statements and trust funds statement of continuity and balance sheet referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Thunder Bay dated April 12, 1986.

The supplementary information identified in the index is provided for purposes of additional analysis and is not a required part of the basic financial statements referred to above.

We have, however, performed the following procedures in connection with the supplementary information as identified for the year ended December 31, 1985:

- (a) We have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement.
- (b) We have added and cross-added all schedules.

The above-noted schedules have not been subjected to the auditing procedures applied in the examination of the basic financial statements and accordingly we do not express an opinion on the fair presentation of the information referred to above.

Thunder Bay, Canada
April 12, 1986

Thorne Riddell

Thorne Riddell
Chartered Accountants,
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants,
Licence No. 1217

STATEMENT OF REVENUE AND EXPENDITURE

CITY OF THUNDER BAY 1

for the year ended December 31, 1985

	1985 <u>Budget</u>	1985 <u>Actual</u>	1984 <u>Actual</u>
	\$	\$	\$
Accumulated Net Revenue (Deficit) at Beginning of Year	7,375,051	7,894,367	8,827,436
Expenditures and Transfers			
General Government	8,578,822	7,513,097	7,871,876
Protection to Persons and Property	24,240,322	24,573,778	23,347,338
Transportation Services	24,077,622	23,399,362	22,849,313
Environmental Services	16,249,425	15,237,520	14,218,990
Health Services	1,268,661	1,253,472	1,021,472
Social and Family Services	25,673,669	25,360,910	23,259,569
Recreation and Cultural Services	16,588,756	16,823,117	14,258,120
Planning and Development	2,965,277	2,823,698	3,085,954
Total Expenditure	119,642,554	116,984,954	109,912,632
Transfers to School Boards	36,303,300	36,533,394	34,581,886
Total Expenditures and Transfers	155,945,854	153,518,348	144,494,518
Revenue by Purpose			
Municipal Purposes			
Taxation	42,144,800	42,426,214	39,772,316
Payments in Lieu of Taxes	3,870,100	3,868,712	3,639,882
Ontario Grants	44,433,659	44,702,969	42,244,171
Other Grants	97,968	95,445	86,743
Fees and Service Charges	14,791,027	14,648,342	13,314,467
Other	8,253,300	9,338,717	9,997,588
Revenue to Pay for Municipal Purposes	113,590,854	115,080,399	109,055,167
School Board Requisition			
Taxation	35,436,200	35,663,407	33,705,199
Payments in Lieu of Taxes	855,000	847,176	801,083
Revenue to Pay School Board Requisition	36,291,200	36,510,583	34,506,282
Total Revenue	149,882,054	151,590,982	143,561,449
Accumulated Net Revenue (Deficit) at End of Year	1,311,251	5,967,001	7,894,367
Analyzed as Follows:			
General Revenue		3,070,289	5,099,844
School Boards		(10,720)	12,091
Special Charges		501,293	527,132
Special Areas		204,914	300,120
Local Boards		117,930	98,734
Municipal Enterprises-Waterworks	1,311,251	2,046,047	1,862,951
Business Improvement Area		37,248	(6,505)
	1,311,251	5,967,001	7,894,367

STATEMENT OF CAPITAL OPERATIONS

CITY OF THUNDER BAY 2

for the year ended December 31, 1985

	1985 <u>Actual</u>	1984 <u>Actual</u>
	\$	\$
Unfinanced Capital Outlay (Unexpended Capital Financing) at the Beginning of the Year	(1,875,009)	(2,435,566)
Capital Expenditure		
General Government	301,632	327,883
Protection to Persons and Property	3,097,321	841,183
Transportation Services	6,292,415	9,508,148
Environmental Services	2,354,496	2,397,168
Health Services	-	304,191
Social and Family Services	465,022	169,336
Recreation and Cultural Services	7,947,557	7,941,837
Planning and Development	1,062,340	1,040,834
Total Expenditure	21,520,783	22,530,580
Transfer to Revenue Fund	-	133,466
	21,520,783	22,664,046
Capital Financing		
Contributions From the Revenue Fund	6,343,990	5,987,859
Contributions From Reserve Fund and Reserves	4,484,557	3,341,191
Long Term Liabilities Incurred	-	1,059,000
Ontario Grants	5,341,669	6,322,734
Other	3,478,235	5,392,705
Total Capital Financing	19,648,451	22,103,489
Unfinanced Capital Outlay (Unexpended Capital Financing) at the End of the Year	(2,677)	(1,875,009)

ANALYSIS OF REVENUE

CITY OF THUNDER BAY 1-1

for the year ended December 31, 1985

	<u>Total Revenue</u>	<u>School Board Share</u>	<u>General Municipal Purposes</u>
	\$	\$	\$
Taxation			
Realty - Residential and Farm	36,693,975	16,956,608	19,737,367
- Commercial and Industrial	29,314,373	13,459,733	15,854,640
	66,008,348	30,416,341	35,592,007
Business	11,386,092	5,247,066	6,139,026
Special Charges	733,202		733,202
	78,127,642	35,663,407	42,464,235
Current Years Tax Write-off	(38,021)		(38,021)
	78,089,621	35,663,407	42,426,214
Payments in Lieu of Taxes			
Canada	660,200		660,200
Canada Enterprises	79,571		79,571
Ontario			
Municipal Tax Assistance Act	394,708		394,708
Provincial Parks Municipal Tax Assistance Act	7,934		7,934
Municipal Act (Section 160)			
Universities and Colleges	294,600		294,600
Hospitals	85,350		85,350
Other	10,850		10,850
Ontario Enterprises			
Ontario Housing Corporation	1,154,998	525,639	629,359
Ontario Hydro	483,170		483,170
Liquor Control Board of Ontario	120,165		120,165
Municipal Enterprises	1,424,342	321,537	1,102,805
	4,715,888	847,176	3,868,712
Ontario Unconditional Grants			
Per Household General	1,256,910		1,256,910
Per Household Policing	2,094,850		2,094,850
General Support	3,765,545		3,765,545
Revenue Guarantee	6,351,832		6,351,832
Northern General Support	11,296,636		11,296,636
	24,765,773		24,765,773
Ontario Specific Grants	19,937,196		19,937,196
	44,702,969		44,702,969
Canada Specific Grants	78,321		78,321
Municipal Specific Grants	17,124		17,124
Other Revenue	23,987,059		23,987,059
Total Revenue	<u>151,590,982</u>	<u>36,510,583</u>	<u>115,080,399</u>

ANALYSIS OF TAXATION

for the year ended December 31, 1985

CITY OF THUNDER BAY 1-2

	Local Taxable Assessment			Mill Rates		Taxes Levied		Supplementary Taxes				
	Residential & Farm		Commercial & Industrial Business	Residential & Farm	Commercial & Industrial Business	Residential & Farm	Commercial & Industrial Business	Residential & Farm	Commercial & Industrial Business	Total		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
General Municipal Purposes												
General	130,076,102	86,010,291	33,196,605	104.630	123.090	13,609,864	10,587,007	4,086,170	83,924	97,403	151,021	28,615,389
Special Areas												
Garbage	130,076,102	86,010,291	33,196,605	8.860	10.420	1,152,476	896,227	345,909	7,049	7,936	12,537	2,422,134
Street Lighting	121,758,041	85,484,019	33,011,720	4.620	5.430	562,522	464,178	179,254	2,932	4,030	6,414	1,219,330
Public Transportation	117,673,033	85,457,673	33,001,900	12.720	14,970	1,496,800	1,279,302	494,039	7,008	12,014	18,399	3,307,562
Sewage & Drainage	115,920,628	76,939,180	28,499,435	24.180	28.450	2,802,959	2,188,921	810,809	11,833	21,877	34,474	5,870,873
						19,624,621	15,415,635	5,916,181	112,746	143,260	222,845	41,435,288
Special Charges												
Share of Telephone and Telegraph Taxation												295,745
Local Improvements - Frontage Charges						33,183	295,745					33,183
- Other Charges						513,911						513,911
Special Charges Computed						8,620						8,620
Business Improvement Area								162,548			14,940	177,488
						555,714	295,745	162,548			14,940	1,028,947
Sub-Total												
						20,180,335	15,711,380	6,078,729	112,746	143,260	237,785	42,484,235
Total General Municipal Purposes												
Education Purposes												
School Boards												
Elementary Public	92,872,858	71,042,530	27,832,965	72.000	84.700	6,686,845	6,017,303	2,357,453	37,751	60,391	90,829	15,250,572
Share of Telephone and Telegraph Taxation							115,723					115,723
						6,686,845	6,133,026	2,357,453	37,751	60,391	90,829	15,366,295
Sub-Total												
Elementary Separate	37,203,244	14,967,761	5,363,640	72.000	84.700	2,678,633	1,267,770	454,301	19,987	6,633	13,092	4,440,416
Secondary	130,076,102	86,010,291	33,196,605	57.560	67.720	7,487,180	5,824,617	2,248,074	46,212	53,878	83,317	15,743,278
Share of Telephone and Telegraph Taxation							113,418					113,418
						7,487,180	5,938,035	2,248,074	46,212	53,878	83,317	15,856,696
Sub-Total												
						16,852,658	13,338,831	5,059,828	103,950	120,902	187,238	35,863,407
Total Education Purposes												

ANALYSIS OF SPECIFIC GRANTS
FROM OTHER GOVERNMENTS

CITY OF THUNDER BAY 1-4

for the year ended December 31, 1985

	<u>Ontario</u>	<u>Canada</u>	<u>Municipal</u>
	\$	\$	\$
General Government			
General Administration	<u>34,374</u>	<u>1,949</u>	
Protection to Persons and Property			
Fire	9,000		
Police		24,975	
	<u>9,000</u>	<u>24,975</u>	
Transportation Services			
Roadways	1,452,553		
Winter Control	1,004,385		
Transit	2,092,004		
	<u>4,548,942</u>		
Health Services	<u>91,844</u>		
Social and Family Services			
General Assistance	5,831,323		
Assistance to Aged Persons	8,015,326		176
Assistance to Children	820,100		
Assistance to Physically Disabled	246,407		
	<u>14,913,156</u>		<u>176</u>
Recreation and Cultural Services			
Parks and Recreational Facilities	27,236	3,099	
Libraries	300,107	20,261	16,948
Other Cultural	3,966		
	<u>331,309</u>	<u>23,360</u>	<u>16,948</u>
Planning and Development			
Residential Development	8,571	16,910	
Commercial and Industrial		11,127	
	<u>8,571</u>	<u>28,037</u>	
	<u>19,937,196</u>	<u>78,321</u>	<u>17,124</u>

ANALYSIS OF OTHER REVENUE
FOR GENERAL MUNICIPAL PURPOSES

CITY OF THUNDER BAY 1-5

for the year ended December 31, 1985

<u>Other Revenue</u>	\$
Licences and Permits	493,587
Rentals	502,632
Concessions and Franchises	140,370
Fines	326,203
Interest and Penalties on Taxes	526,659
Fees and Services Charges - Recreational Facilities	2,676,698
- Committee of Adjustment	62,300
- Other	11,373,362
Income from Investments	2,627,733
Subdivider and Developer Contributions	799,770
Homes for the Aged - Resident Contributions	4,166,507
Sale of Publications	79,832
Sale of Materials, Supplies and Equipment	558
Tax Registration Fees	7,578
Day Nursery Charges	528,404
<u>Other</u>	
Transfer from Reserve for Equipment	14,500
Transfer from Reserve Fund	19,774
St. Joseph's Heritage - Loan Repayment	25,000
Donations	5,330
Grant from Ontario Library Service	54,919
Sundry	55,343
	<u>23,987,059</u>

ANALYSIS OF REVENUE FUND EXPENDITURES

CITY OF THUNDER BAY 1-6

for the year ended December 31, 1985

	Salaries Wages and Employee Benefits	Net Long Term Debt Charges	Material Services Rents and Financial Expenses	Transfers to Own Funds	Other Transfers	Inter- functional Transfers	Total Expenditure
	\$	\$	\$	\$	\$	\$	\$
General Government	4,037,052	41,315	1,964,922	1,664,686	3,500	(200,378)	7,513,097
Protection to Persons and Property							
Fire	8,577,193	14,326	511,798	1,484,173		343,246	10,930,736
Police	11,023,394		870,405	476,418		2,804	12,373,021
Conservation Authority					369,773		369,773
Protective Inspection & Control	525,320		43,612	6,189	217,674		792,795
Unclassified	45,833		20,898		40,350	372	107,453
	20,171,740	14,326	1,446,713	1,966,780	627,797	346,422	24,573,778
Transportation Services							
Roadways	4,189,647	710,457	1,993,643	2,445,540		5,604	9,344,891
Winter Control	1,048,956		1,277,643	114,108		961	2,441,668
Transit	6,005,474	45,723	2,210,920	100,720		348	8,363,185
Parking	399,134	630,141	654,676	172,902		296	1,857,149
Street Lighting	152,266		681,795	305,825			1,139,886
Unclassified	45,394	76,505	59,348	67,336			252,583
	11,844,871	1,462,826	6,878,025	3,206,431		7,209	23,399,362
Environmental Services							
Sanitary Sewer System	1,024,744	2,239,109	1,834,330	176,493		22,640	5,297,316
Storm Sewer System		697,454		294,586			992,040
Watersheds System	2,417,923	1,917,589	1,606,375	793,993		(513,263)	6,222,617
Garbage Collection	1,488,201		356,522	122,388		721	1,967,832
Garbage Disposal	395,527		268,480	79,940			743,947
Pollution Control			13,768				13,768
	5,326,395	4,854,152	4,079,475	1,467,400		(489,902)	15,237,520
Health Services							
Public Health Services					817,562		817,562
Hospitals		87,895					87,895
Cemeteries	244,876		50,903	50,000		2,236	348,015
	244,876	87,895	50,903	50,000	817,562	2,236	1,253,472
Social and Family Services							
General Assistance	2,169,984		967,067	19,029	4,828,154	971	7,985,205
Assistance to Aged Persons	12,251,462	53,720	2,164,785	86,934	671	230,798	14,788,570
Assistance to Children	69,195		50,970		673,752		793,917
Day Nurseries	860,105		607,130	16,570		1,671	1,485,496
Assistance to Physically Disabled					307,722		307,722
	15,350,946	53,720	3,789,972	122,533	5,810,299	233,440	25,360,910
Recreation and Cultural Services							
Parks and Recreation	6,730,576	288,580	3,120,669	1,637,845	95,510	94,718	11,967,898
Libraries	2,267,930	60,373	1,051,813	429,739		2,016	3,811,911
Other Cultural	15,404		10,345	32,000	985,559		1,043,308
	9,013,930	348,953	4,182,827	2,099,604	1,081,069	96,734	16,823,117
Planning and Development							
Planning and Zoning	953,195		177,537	16,517		633	1,147,882
Commercial and Industrial	164,693	192,277	1,032,525	183,309		3,606	1,576,410
Residential Development	39,612		3,393	53,046			96,051
Agriculture and Reforestation					500		500
South Core Revitalization		2,855					2,855
	1,157,500	195,132	1,213,455	252,872	500	4,239	2,823,698
Total	67,147,310	7,058,319	23,606,292	10,830,306	8,342,727	W11	116,984,934

ANALYSIS OF TRANSFERS FROM THE REVENUE FUND

CITY OF THUNDER BAY 1-7

for the year ended December 31, 1985

	To Own Funds			Joint Boards & Municipal Enterprises	to Others	Total
	Capital Fund	Reserve Funds	Reserves & Allowances			
	\$	\$	\$	\$	\$	\$
General Government	237,564	1,076,225	350,897		5,500	1,670,186
Protection to Persons and Property						
Fire	950,714	154,600	378,839			1,484,173
Police	476,418					476,418
Conservation Authority				369,773		369,773
Protective Inspection and Control	5,989		200		217,674	223,863
Unclassified					40,350	40,350
	1,433,121	154,600	379,059	369,773	258,024	2,594,577
Transportation Services						
Roadways	2,060,139	347,527	37,874			2,445,540
Winter Control	84,108		30,000			114,108
Transit	43,220		57,500			100,720
Parking		172,902				172,902
Street Lighting	266,825	31,000	8,000			305,825
Unclassified	54,150	7,200	5,986			67,336
	2,508,442	558,629	139,360			3,206,431
Environmental Services						
Sanitary Sewer System	188,468	(11,975)				176,493
Storm Sewer System	34,228	260,358				294,586
Waterworks System	643,975	150,018				793,993
Garbage Collection	74,110		48,278			122,388
Garbage Disposal	64,640	15,300				79,940
	1,005,421	413,701	48,278			1,467,400
Health Services						
Public Health Services				603,039	214,523	817,562
Cemeteries		50,000				50,000
		50,000		603,039	214,523	867,562
Social and Family Services						
General Assistance	19,029				4,828,154	4,847,183
Assistance to Aged Persons	73,689	13,245			671	87,605
Assistance to Children					673,752	673,752
Day Nurseries	16,570					16,570
Assistance to Physically Disabled					307,722	307,722
	109,288	13,245			5,810,299	5,932,832
Recreation and Cultural Services						
Parks and Recreation	508,116	937,794	191,935		95,510	1,733,355
Libraries	399,700	30,059				429,759
Other Cultural		32,000		537,544	448,015	1,017,559
	907,816	999,853	191,935	537,544	543,525	3,180,673
Planning and Development						
Planning and Zoning	15,017		1,500			16,517
Commercial and Industrial	74,275	90,534	18,500			183,309
Residential Development	53,046					53,046
Agriculture and Reforestation					500	500
	142,338	90,534	20,000		500	253,372
Total	6,343,990	3,356,787	1,129,529	1,510,356	6,832,371	19,173,033

ANALYSIS OF CHARGES FOR
NET LONG TERM LIABILITIES

CITY OF THUNDER BAY 1-8

for the year ended December 31, 1985

	Amount Met From General Municipal Revenues		Amount Recovered From Municipal Enterprises And Reserve Funds	
	Principal	Interest	Principal	Interest
General Government				
General Administration	37,208	4,107		
Protection to Persons & Property				
Fire	7,510	6,816		
Transportation Services				
Roadways	329,032	381,425	14,333	
Transit			15,946	29,777
Parking			376,000	296,141
Unclassified Public Works	34,544	41,961		
	363,576	423,386	364,279	325,918
Environmental Services				
Sanitary Sewer System	669,233	1,569,876		
Storm Sewer System	275,048	422,406		
Waterworks System			764,644	1,152,945
	944,281	1,992,282	764,644	1,152,945
Health Services				
Hospitals	75,000	12,895		
Social and Family Services				
Assistance to Aged Persons	35,000	18,720		
Recreation and Cultural Services				
Parks and Recreational Facilities	153,063	135,517		
Libraries	31,000	29,373		
	184,063	164,890		
Planning Department				
Planning and Zoning	118,000	74,277		
South Core Revitalization	2,600	255		
	120,600	74,532		
Total	1,767,238	2,697,628	1,126,923	1,478,863

ANALYSIS OF CAPITAL FINANCING

CITY OF THUNDER BAY 2-1

for the year ended December 31, 1985

	Long Term Financing For			Net
	Total	Other	Municipal	Financing
	Financing	Municipalities	Enterprises	For
				Municipal
	\$	\$	\$	Purposes
Contributions from Own Fund				
Revenue Fund	6,343,990			6,343,990
Reserve Funds	4,006,800			4,006,800
Reserves	477,757			477,757
	<u>10,828,547</u>			<u>10,828,547</u>
Ontario Grants	<u>5,341,669</u>			<u>5,341,669</u>
Canada Grants	<u>786,101</u>			<u>786,101</u>
Prepaid Special Charges				
The Local Improvement Act	<u>115,012</u>			<u>115,012</u>
Other Sources				
Proceeds from Sale and				
Lease of Fixed Assets	1,493,515			1,493,515
Interest Earned	166,411			166,411
Insurance Proceeds	15,579			15,579
Other Financing	35,586			35,586
Donations/Subscriptions	866,031			866,031
	<u>2,577,122</u>			<u>2,577,122</u>
Total Capital Financing	<u>19,648,451</u>			<u>19,648,451</u>

ANALYSIS OF CAPITAL GRANTS
FROM OTHER GOVERNMENTS

CITY OF THUNDER BAY 2-3

for the year ended December 31, 1985

	<u>Ontario</u>	<u>Canada</u>
General Government	\$	\$
General Administration	974	
Transportation Services		
Roadways	2,902,576	(13,899)
Transit	15,310	
	<u>2,917,886</u>	<u>(13,899)</u>
Environmental Services		
Storm Sewer System	97,066	
Waterworks System	106,600	
Garbage Disposal	5,339	
	<u>209,005</u>	
Social and Family Services		
Assistance to Aged Persons	241,517	
Assistance to Children	1,929	
	<u>243,446</u>	
Recreation and Cultural Services		
Parks and Recreational Facilities	261,356	
Other Cultural	1,718,482	800,000
	<u>1,979,838</u>	<u>800,000</u>
Planning and Development		
Residential Development	(9,480)	
Total	<u><u>5,341,669</u></u>	<u><u>786,101</u></u>

ANALYSIS OF CAPITAL EXPENDITURE

CITY OF THUNDER BAY 2-4

for the year ended December 31, 1985

	Own Capital Expenditure	Contribution To Municipal Enterprise	Total
	\$	\$	\$
General Government			
Members of Council	1,808		1,808
General Administration	299,824		299,824
	<u>301,632</u>		<u>301,632</u>
Protection to Persons and Property			
Fire	2,282,380		2,282,380
Police	808,952		808,952
Protective Inspection and Control	5,989		5,989
	<u>3,097,321</u>		<u>3,097,321</u>
Transportation Services			
Roadways	5,738,704		5,738,704
Transit	76,286		76,286
Winter Control	84,108		84,108
Parking	19,927		19,927
Street Lighting	274,825		274,825
Public Works Unclassified	98,565		98,565
	<u>6,292,415</u>		<u>6,292,415</u>
Environmental Services			
Sanitary Sewer System	696,365		696,365
Storm Sewer System	209,640		209,640
Waterworks System	1,136,783		1,136,783
Garbage Collection	237,088		237,088
Garbage Disposal	74,670		74,670
	<u>2,354,496</u>		<u>2,354,496</u>
Social and Family Services			
General Assistance	19,028		19,028
Assistance to Aged Persons	427,495		427,495
Day Nurseries	18,499		18,499
	<u>465,022</u>		<u>465,022</u>
Recreation and Cultural Services			
Parks and Recreational Facilities	1,862,494		1,862,494
Libraries	259,155		259,155
Other Cultural	5,825,908		5,825,908
	<u>7,947,557</u>		<u>7,947,557</u>
Planning and Development			
Planning and Zoning	18,617		18,617
Commercial and Industrial Development	455,441		455,441
Residential Development	588,282		588,282
	<u>1,062,340</u>		<u>1,062,340</u>
Total	<u>21,520,783</u>		<u>21,520,783</u>

CONTINUITY OF TAXES RECEIVABLE

CITY OF THUNDER BAY 3-3

for the year ended December 31, 1985

Balance at the Beginning of the year	4,041,154
Additions During the Year	
Taxation	78,127,642
Amounts Added to Tax Bills for	
Collection Purposes Only	17,553
Penalties and Interest	526,659
Total Additions	78,671,854
Reductions During the Year	
Collection of Taxes	
Current Year	75,224,309
Previous Years	2,532,717
Penalties and Interest	463,587
Taxes Transferred to Tax Registration Account	165,554
Taxes Written Off	
General Purposes	484,373
Charged to School Boards	384,278
Total Reductions	79,254,818
Balance at the End of the Year	3,458,190
Deduct: Allowance for Uncollectible Taxes	(155,462)
Net Balance at the End of the Year	3,302,728

ANALYSIS OF THE BALANCE AT THE END OF THE YEAR BY YEAR

Taxes Unpaid from 1985	2,279,824
1984	825,674
Prior Years	153,875
Penalties and Interest	198,817
Total	3,458,190

STATEMENT OF CONTINUITY OF RESERVE FUNDS

for the year ended December 31, 1985

CITY OF THUNDER BAY 3-4

	Total	Capital Financing	Capital Expenditure	Sewage Treat- ment Plant Contingency	McVicars Creek	Subdivision Deposit for Public Purposes	Parking Revenue	Stabilization of Foreign Exchange
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at Beginning of Year	25,258,347	2,350,989	7,217,763	683,104	148,102	1,071,874	42,668	46,468
<u>Revenue</u>								
Interest Earned	2,151,677	305,054						
Contribution from Revenue Fund	3,613,862	123,973	1,686,013	88,297	13,338	101,827	4,776	4,291
Contribution from Revenue Fund - Waterworks	150,018	33,183				299,770	576,047	200,000
Contribution from Parking Facility Reserve Fund	163,122	163,122						116,835
Contribution from Community Auditorium	59,747	59,747						
Contribution from Telephone	311,476							311,476
Contribution from Hydro	324,349							324,349
Group Life Insurance Rebate	148,896							
	6,923,147	685,079	1,686,013	88,297	13,338	401,597	580,823	956,951
<u>Expenditure</u>								
Contribution to Capital Fund for Capital Expenditures	4,006,800	224,766	3,642,311			90,171	199	
Transfer to Revenue Fund	19,774		19,774					
Repayment of Provincial Loan	14,333				14,333			
Exchange on U.S. Debentures	328,173							328,173
Transfer to Capital Financing Reserve Fund	163,122						163,122	
Parking Authority Expenditure - Net	407,093						407,093	
Transfer to Trust for Ontario Home Renewal Program	1,074,057							
	6,013,352	224,766	3,662,085	-	14,333	90,171	570,414	328,173
Balance at End of Year	26,168,142	2,811,302	5,241,691	771,401	147,107	1,383,300	53,077	675,246

STATEMENT OF CONTINUITY OF RESERVE FUNDS
for the year ended December 31, 1985

CITY OF THUNDER BAY 3-4

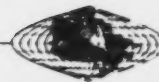
	Community Centres	OHPP	Benefit Rate Stabilization Reserve Fund	Redemption Reserve Fund	Fire Collision Compensation	Sick Pay Liability Reserve Fund	Library Capital Expenditure	M.O.E. Contingency
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at Beginning of Year	38,167	1,074,057	752,483	3,599,891	4,042,811	3,931,301	141,796	116,873
<u>Revenue</u>								
Interest Earned	3,599		93,103	462,176	533,926	528,489	30,059	12,801
Contribution from Revenue Fund				498,000	200,000			
Contribution from Revenue Fund - Waterworks								
Contribution from Parking Facility Reserve Fund								
Contribution from Community Auditorium								
Contribution from Telephone								
Contribution from Hydro			148,896					
Group Life Insurance Rebate			241,999					
	3,599	-		960,176	733,926	528,489	30,059	12,801
<u>Expenditure</u>								
Contribution to Capital Fund for Capital Expenditures	1,580						47,773	
Transfer to Revenue Fund								
Repayment of Provincial Loan								
Exchange on U.S. Debentures								
Transfer to Capital Financing Reserve Fund								
Parking Authority Expenditure - Net		1,074,057						
Transfer to Trust for Ontario Home Renewal Program								
	1,580	1,074,057	-	-	-	-	47,773	-
Balance at End of Year	40,186	-	994,482	4,560,067	4,776,737	4,459,790	124,082	129,674

ANALYSIS OF NET LONG TERM LIABILITIES

CITY OF THUNDER BAY 3-6

for the year ended December 31, 1985

	To Be Met From General Municipal Revenues		To Be Recovered From Municipal Enterprises and Reserve Funds	
	Total	Value of Debt Retirement Fund	Total	Value of Debt Retirement Fund
General Government				
General Administration	39,208			
Protection to Persons & Property				
Fire	72,675			
Transportation Services				
Roadways	2,713,000		129,000	
Transit			275,810	
Parking			2,356,000	
Unclassified Public Works	418,515			
	3,131,515		2,760,810	
Environmental Services				
Sanitary Sewer System	15,973,949	1,824,603		
Storm Sewer System	3,432,177			
Waterworks System			9,712,752	654,824
	19,406,126	1,824,603	9,712,752	654,824
Health Services				
Hospitals	118,000			
Social and Family Services				
Assistance to Aged Persons	173,000			
Recreation and Cultural Services				
Parks & Recreational Facilities	1,414,051			
Libraries	348,000			
	1,762,051			
Planning and Development				
Planning and Zoning	726,000			
South Core Revitalization	3,994,825			
	4,720,825			
Total	29,423,400	1,824,603	12,473,562	654,824



AUDITORS' REPORT

To The Chairman And Members Of The Board
Thunder Bay District Health Unit

We have examined the balance sheet of the Thunder Bay District Health Unit as at December 31, 1985 and the statements of revenue and expenditure and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Health Unit as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles as set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
March 7, 1986
Licence No. 1086

Thorne Riddell
Chartered Accountants

Offices throughout Canada. International Firm Klynveld Main Goerdeler

THUNDER BAY DISTRICT HEALTH UNIT
BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	<u>1985</u>	<u>1984</u>
CAPITAL FUND		
Cash	\$ 9,342	\$ 119,603
Treasury Bills		548,108
Due from Province of Ontario (note 2)	126,083	160,498
Due from revenue fund		2,171
Accounts receivable		20,761
Land	114,920	114,920
Buildings	2,385,890	397,509
Equipment	<u>225,691</u>	<u>149,677</u>
	<u>\$3,061,926</u>	<u>\$1,513,247</u>
RESERVE FUNDS (note 3)		
Cash	\$ 5,046	\$ 19,498
Bank term deposits, maturing 1986	<u>70,000</u>	<u>45,000</u>
	75,046	64,498
Due from revenue fund		4,322
Accrued interest receivable	<u>1,300</u>	
	<u>\$ 76,346</u>	<u>\$ 68,820</u>
REVENUE FUND		
Cash	\$ 2,030	\$ 375,581
Accounts receivable	8,454	4,022
Due from Province of Ontario (note 2)	240,418	
Due from reserve fund	5,147	
Due from capital fund	<u>71,690</u>	
	<u>\$ 327,739</u>	<u>\$ 379,603</u>

LIABILITIES AND SURPLUS

	1985	1984
CAPITAL FUND		
Accounts payable	\$ 7	\$ 239,994
Due to revenue fund	71,690	
Investment in capital assets (note 4)	<u>2,990,229</u>	<u>1,273,253</u>
	<u>\$3,061,926</u>	<u>\$1,513,247</u>
RESERVE FUNDS (note 3)		
Due to revenue fund	\$ 5,147	
Reserve for municipal portion of severance plan allowances	<u>71,199</u>	<u>\$ 68,820</u>
	<u>\$ 76,346</u>	<u>\$ 68,820</u>
REVENUE FUND		
Liabilities		
Bank indebtedness	\$ 216,297	
Accounts payable and accrued liabilities	92,448	\$ 230,090
Due to Province of Ontario (note 2)		123,330
Due to reserve funds		4,322
Due to capital fund	<u>308,745</u>	<u>2,171</u>
	<u>308,745</u>	<u>359,913</u>
Surplus	<u>18,994</u>	<u>19,690</u>
	<u>\$ 327,739</u>	<u>\$ 379,603</u>

Commitments (note 5)

The accompanying notes are an integral part of this financial statement.

THUNDER BAY DISTRICT HEALTH UNIT

STATEMENT OF SURPLUS

YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
BALANCE AT BEGINNING OF YEAR	\$19,690	\$ 1,989
Transfer to current year's revenue	(19,690)	
Transfer to capital fund - reserve for contingencies		(3,230)
Excess of revenue over expenditure for the year	<u>18,994</u>	<u>20,931</u>
BALANCE AT END OF YEAR	<u>\$18,994</u>	<u>\$19,690</u>

The accompanying notes are an integral part of this financial statement.

THUNDER BAY DISTRICT HEALTH UNIT
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
REVENUE		
Province of Ontario grants		
Share of net cost of operation	\$1,952,876	\$1,665,237
Unorganized area service income	143,632	123,622
N.O.P.H.S. area service income	113,082	92,692
Infant Nutrition Project	4,658	8,053
Family planning program	146,737	139,816
Genetic counselling program	32,341	33,970
Speech pathology program	114,835	114,909
VD Clinic	<u>9,901</u>	<u>10,769</u>
	2,518,062	2,189,068
Municipal levies	646,600	566,600
Ministry of Environment inspections		19,137
Interest earned	16,718	23,021
Hearing tests		190
Miscellaneous	3,376	847
Student program - Challenge '85	6,840	
Transfer from surplus	<u>19,690</u>	
	<u>3,211,286</u>	<u>2,798,863</u>
EXPENDITURE		
Personal services (note 6)	2,526,193	2,304,739
Travel	180,832	166,424
Equipment purchases	163,544	34,648
Materials and supplies	63,803	56,485
Rent and utility services	127,957	113,127
Other expenses	<u>129,963</u>	<u>102,509</u>
	<u>3,192,292</u>	<u>2,777,932</u>
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	<u>\$ 18,994</u>	<u>\$ 20,931</u>

The accompanying notes are an integral part of this financial statement.

THUNDER BAY DISTRICT HEALTH UNIT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. ACCOUNTING POLICIES

- a) These financial statements have been prepared in accordance with accounting principles prescribed for Ontario municipalities except in the following respects:

i) Financial statement presentation

The financial statements have been prepared on the basis of fund accounting disclosure in which separate accounts are maintained for each fund to ensure that limitations or restrictions for the use of funds are observed. As the Health Unit is undertaking a major capital project, funded by the Province of Ontario and the participating municipalities, this presentation is considered appropriate in the circumstances.

ii) Capital fund

The historical cost of fixed assets is recorded as an asset in the year of purchase. As fixed assets are fully funded by the Province of Ontario and the participating municipalities, no provision for depreciation of such assets is required.

Purchases of equipment are included in revenue fund expenditure in the year of acquisition. Only that equipment classified as "major equipment" is included in capital fund assets as fixed assets purchased out of the revenue fund.

b) Reserve fund for municipal portion of severance plan allowances

Personnel policies provide that unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Health Unit's employment. A reserve fund has been accumulated to provide funds to meet the municipal portion of such payments. The balance of such payments will be recovered from the Province of Ontario in the year of termination.

THUNDER BAY DISTRICT HEALTH UNIT

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

2. DUE FROM (TO) PROVINCE OF ONTARIO

a) Capital fund

1985 1984

Building project

\$126,083 \$160,498

b) Revenue fund

1985 1984

General programs and
unorganized area services
Northern Ontario Public
Health Services
Family planning
Speech pathology
Genetic counselling program
Infant Nutrition Project

\$205,956 \$(131,026)
10,741
(9,125)
1,556
5,410
(886)

\$240,418 \$123,330

3. RESERVE FUNDS

Transactions in the reserve funds were:

1985 1984

BALANCE AT BEGINNING OF YEAR

\$68,820 \$58,134

Provision from revenue fund
Interest earned by fund

500 4,596
7,526 6,364
8,026 10,960

Municipal portion of
severance plan payments

5,647 274

BALANCE AT END OF YEAR

\$71,199 \$68,820

THUNDER BAY DISTRICT HEALTH UNIT

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

4. INVESTMENT IN CAPITAL ASSETS

	<u>1985</u>	<u>1984</u>
BALANCE AT BEGINNING OF YEAR	\$1,273,253	\$ 573,469
Fixed assets purchased out of revenue fund	82,847	32,390
Capital contributed by the municipalities	125,000	363,707
Capital contributed by the Province of Ontario	1,465,138	247,937
Donations by organizations	10,693	
Interest earned on Municipal funds	46,131	52,520
Interest earned on Provincial funds	4,693	
Fixed asset disposals during year	(17,526)	
Reserve for contingencies		3,230
BALANCE AT END OF YEAR	<u>\$2,990,229</u>	<u>\$1,273,253</u>

5. COMMITMENTS

- a) The Health Unit rents space in several buildings for clinics and branch offices under long term leases which run for varying periods to February, 1987. The aggregate rental payable to the expiry dates, including one short term renewal option, is \$8,000 (1984, \$55,400) payable approximately as follows:

1986	\$7,500
1987	500

The leases include, in addition to the above rentals, escalation clauses pertaining to municipal taxes and other operating expenses.

- b) As at December 31, 1985 commitments in connection with construction of a building amounted to approximately \$24,830 (1984, \$2,400,000). Total cost of the project is estimated at approximately \$2,700,000 which is to be financed by the Province of Ontario and the municipalities.

THUNDER BAY DISTRICT HEALTH UNIT

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

6. PERSONAL SERVICES

Expenditure for personal services includes an amount of \$17,442 (1984, \$5,420) for severance plan allowances, as follows:

	<u>1985</u>	<u>1984</u>
Provision for reserve fund for municipal portion of severance plan allowances	\$ 500	\$4,596
Severance plan payments	<u>22,589</u>	<u>1,098</u>
	23,089	5,694
Less transfer from reserve fund for municipal portion of severance plan payments	<u>5,647</u>	<u>274</u>
	<u>\$17,442</u>	<u>\$5,420</u>

THUNDER BAY DISTRICT HEALTH UNIT

SCHEDULES OF EXPENDITURES

YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
PERSONAL SERVICES		
Medical officer	\$ 76,173	\$ 70,650
Medical staff, part-time	25,178	21,157
Nursing	1,064,027	1,025,716
Public health inspection	295,771	300,829
Dental officer	59,845	56,663
Dental assistant	15,062	14,221
Dental clerks	37,678	26,350
Dental hygienist	19,601	7,286
Audio and visual technicians	78,597	77,130
Health promotion co-ordinator	22,051	4,358
Health promotion planner	28,908	3,688
Health promotion assistant	17,128	
Nutritionist	31,774	30,321
Speech pathologist	57,743	49,152
Research assistant	11,549	7,334
Volunteer co-ordinator	2,711	
Board members	3,175	4,325
Business administrator	46,281	44,161
Clerical staff	330,738	308,380
Fringe benefits	284,761	247,598
Severance plan allowances	17,442	5,420
	<u>\$2,526,193</u>	<u>\$2,304,739</u>
TRAVEL		
Staff	\$ 175,977	\$ 161,763
Board members	4,855	4,661
	<u>\$ 180,832</u>	<u>\$ 166,424</u>
EQUIPMENT PURCHASES		
Office equipment	\$ 161,646	\$ 20,645
Program equipment	1,898	14,003
	<u>\$ 163,544</u>	<u>\$ 34,648</u>
MATERIALS AND SUPPLIES		
Office and postage	\$ 34,512	\$ 31,745
Health promotion	2,790	254
Medical, nursing, speech program, genetic counselling	14,072	13,349
Dental	10,184	8,754
Health inspection	2,245	2,383
	<u>\$ 63,803</u>	<u>\$ 56,485</u>

THUNDER BAY DISTRICT HEALTH UNIT

SCHEDULES OF EXPENDITURES (Continued)

YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
RENT AND UTILITY SERVICES		
Caretaking, utilities and services provided by Hogarth-Westmount Hospital	\$ 52,960	\$ 57,068
Electric heat, lights	7,429	
Maintenance, snow removal	1,800	
Janitorial services	2,905	
Clinics and branch offices	27,230	28,224
Telephone	<u>35,633</u>	<u>27,835</u>
	<u>\$127,957</u>	<u>\$113,127</u>
OTHER EXPENSES		
Conventions and courses	\$ 22,810	\$ 18,024
Professional fees	21,131	16,811
Insurance	13,742	5,453
Advertising	4,737	10,082
Maintenance and repairs	11,694	6,246
Subscriptions and publications	6,559	3,931
Films	1,135	2,808
Bank service charges	7	3
Data processing	29,464	26,465
Accreditation fees	1,825	3,225
Miscellaneous	10,657	9,461
Moving	<u>6,202</u>	
	<u>\$129,963</u>	<u>\$102,509</u>



AUDITORS' REPORT

To The Chairman and Members of
The Hydro-Electric Commission of Thunder Bay

We have examined the balance sheet of The Hydro-Electric Commission of Thunder Bay as at December 31, 1985, and the statements of operations, equity and cash flow for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1985 and the results of its operations and the changes in its cash position for the year then ended in accordance with accounting principles prescribed for municipal electrical utilities in Ontario applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 4, 1986

Thorne Riddell

Thorne Riddell
Chartered Accountants

Clarkson Gordon

Clarkson Gordon
Chartered Accountants

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	<u>1985</u>	<u>1984</u>
FIXED ASSETS		
Land	\$ 152,481	\$ 154,981
Buildings	3,549,688	3,103,241
Transformation equipment	3,577,263	3,477,378
Distribution equipment	34,741,247	32,138,085
Hot water heaters	788,071	593,578
Rolling stock	1,265,283	1,003,464
General office equipment	811,433	454,588
Other equipment	468,366	445,634
	<u>45,353,812</u>	<u>41,370,949</u>
Less accumulated depreciation	<u>16,742,837</u>	<u>15,255,704</u>
	28,610,975	26,115,245
Construction in progress	260,693	333,650
	<u>28,871,668</u>	<u>26,448,895</u>
CURRENT ASSETS		
Cash	5,432,573	5,087,305
Investments (note 3)	2,000,000	2,000,000
Accounts receivable	2,802,330	2,707,288
Unbilled revenue	2,814,073	2,690,108
Accrued interest receivable	66,474	110,248
Stores inventory	1,439,087	1,260,169
Prepaid expenses	12,870	9,334
	<u>14,567,407</u>	<u>13,864,452</u>
DEFERRED CHARGES		
Unamortized debt discount	21,673	23,623
Unamortized past service pension cost	993,659	1,096,773
	<u>1,015,332</u>	<u>1,120,396</u>
EQUITY IN THE ONTARIO HYDRO SYSTEM (note 4)		
	<u>38,761,304</u>	<u>36,635,889</u>
	<u>\$83,215,711</u>	<u>\$78,069,632</u>

The accompanying notes to the financial statements
are an integral part of these financial statements.

LIABILITIES AND EQUITY

	<u>1985</u>	<u>1984</u>
LONG TERM DEBT		
Long term liabilities financed by the municipality (note 5)	\$ 1,954,000	\$ 2,055,000
Past service pension liability (note 6)	<u>993,659</u>	<u>1,096,773</u>
	2,947,659	3,151,773
Less current portion of long term debt (notes 5 and 6)	<u>221,364</u>	<u>204,114</u>
	<u>2,726,295</u>	<u>2,947,659</u>
CURRENT LIABILITIES		
Accounts payable	5,259,721	3,966,544
Accrued wages	223,752	196,076
Accrued interest payable	8,700	9,157
Accrued employees' sick leave credits	39,917	38,014
Customer deposits	180,280	175,917
Current portion of long term debt	<u>221,364</u>	<u>204,114</u>
	<u>5,933,734</u>	<u>4,589,822</u>
DEFERRED CREDIT		
Contributions in aid of construction (note 7)	<u>1,572,425</u>	<u>1,076,181</u>
RESERVE FOR EQUITY IN THE ONTARIO HYDRO SYSTEM	<u>38,761,304</u>	<u>36,635,889</u>
EQUITY	<u>34,221,953</u>	<u>32,820,081</u>
	<u>\$83,215,711</u>	<u>\$78,069,632</u>

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
Revenues from the sale of energy (note 8)	\$47,762,875	\$45,172,278
Cost of bulk power purchased	<u>41,128,323</u>	<u>38,271,988</u>
Gross margin on energy sales	6,634,552	6,900,290
Other operating revenue (note 9)	<u>1,289,135</u>	<u>1,283,079</u>
	<u>7,923,687</u>	<u>8,183,369</u>
Operating and maintenance expenses		
Distribution system	1,012,079	1,046,390
Customer premises	199,267	186,640
Meters and devices	221,242	243,248
Line transformers	149,231	215,725
Substations	<u>702,954</u>	<u>721,560</u>
	<u>2,284,773</u>	<u>2,413,563</u>
Administrative expenses		
Billing and collecting	1,303,407	1,140,363
General	808,968	736,643
Customer information and services	<u>299,683</u>	<u>257,468</u>
	<u>2,412,058</u>	<u>2,134,474</u>
Depreciation (note 10)	1,646,474	1,464,818
Amortization of contributions in aid of construction (note 7)	<u>(57,180)</u>	<u>(39,949)</u>
	<u>1,509,294</u>	<u>1,424,869</u>
	<u>6,286,125</u>	<u>5,972,906</u>
NET OPERATING INCOME BEFORE FINANCIAL EXPENSE	<u>1,637,562</u>	<u>2,210,463</u>
Financial expense		
Interest on long term debt	283,184	303,354
Foreign exchange (note 2)	<u>68,500</u>	<u>56,000</u>
	<u>351,684</u>	<u>359,354</u>
NET INCOME	<u>\$ 1,285,878</u>	<u>\$ 1,851,109</u>
APPROPRIATION FOR		
Debt retirement	\$ 101,000	\$ 209,000
Accumulated net income invested in plant or held as working capital	<u>1,184,878</u>	<u>1,642,109</u>
	<u>\$ 1,285,878</u>	<u>\$ 1,851,109</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF EQUITY

YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
ACCUMULATED FROM CAPITAL SOURCES		
Long term debt paid		
Balance at beginning of year	\$ 4,496,262	\$ 4,287,262
Appropriated from net income	<u>101,000</u>	<u>209,000</u>
Balance at end of year	4,597,262	4,496,262
Contributions in aid of		
construction prior to 1980	<u>4,646,254</u>	<u>4,646,254</u>
	<u>9,243,516</u>	<u>9,142,516</u>
ACCUMULATED NET INCOME		
Balance at beginning of year		
As previously reported	23,934,065	22,083,764
Adjustment for prior years'		
foreign exchange losses		
(note 2)	<u>256,500</u>	<u>200,500</u>
As restated	23,677,565	21,883,264
Appropriated from net income	1,184,878	1,642,109
Increase in rehabilitation		
reserve, Thunder Bay Hydro		
building (note 11)	<u>115,994</u>	<u>152,192</u>
	<u>24,978,437</u>	<u>23,677,565</u>
	<u>\$34,221,953</u>	<u>\$32,820,081</u>

The accompanying notes to the financial statements
are an integral part of these financial statements.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net income	\$1,285,878	\$1,851,109
Rental income (note 11)	115,994	152,192
Add charges to operations not requiring a current cash payment		
Depreciation (note 10)	1,808,931	1,598,031
Amortization of debenture debt discount	1,950	3,232
Amortization of contributions in aid of construction	<u>(57,180)</u>	<u>(39,949)</u>
	3,155,573	3,564,615
Net change in non-cash working capital balances related to operations *	<u>968,975</u>	<u>(219,097)</u>
Cash provided by operating activities	<u>4,124,548</u>	<u>3,345,518</u>
CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES		
Additions to fixed assets, net	(4,231,704)	(2,344,795)
Contributions in aid of construction (note 7)	<u>853,424</u>	<u>193,531</u>
	<u>(3,678,280)</u>	<u>(2,151,264)</u>
CASH USED IN FINANCING ACTIVITIES		
Reduction in long term debt, net of change in unamortized past service pension cost	<u>(101,000)</u>	<u>(209,000)</u>
NET INCREASE IN CASH DURING YEAR	345,268	985,254
CASH POSITION AT BEGINNING OF YEAR	<u>5,087,305</u>	<u>4,102,051</u>
CASH POSITION AT END OF YEAR	<u>\$5,432,573</u>	<u>\$5,087,305</u>
* Accounts receivable	\$ (95,042)	\$ (255,584)
Unbilled revenue	(123,965)	(271,549)
Accrued interest receivable	43,774	(68,484)
Stores inventory	(178,918)	(393,207)
Accounts payable	1,293,177	567,865
Accrued wages	27,676	28,202
Customer deposits	4,363	175,917
Miscellaneous	<u>(2,090)</u>	<u>(2,257)</u>
	<u>\$ 968,975</u>	<u>\$ (219,097)</u>

The accompanying notes to the financial statements
are an integral part of these financial statements.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles prescribed for municipal electrical utilities in Ontario.

(a) Fixed assets and depreciation

Fixed assets are stated at cost.

Depreciation is provided on an annual basis on the various categories of fixed assets, except for land and construction in progress, as follows:

i) General plant and the Thunder Bay Hydro building

Depreciation is provided on the straight line basis at rates varying from 1.67% to 4%.

ii) Other fixed assets

Depreciation is provided on the straight line basis at rates varying from 10% to 20%.

(b) Stores inventory

Stores inventory is valued at average cost.

(c) Investments

Investments are stated at the lower of cost and market value.

(d) Unamortized debenture debt discount

Debenture discount and expenses are being amortized over the period of the related debenture principal repayment.

(e) Unamortized past service pension cost

The deferred charge for past service pension cost is being amortized in annual amounts equal to the principal reduction of the related liability.

(f) Contributions in aid of construction

In certain cases, non-refundable contributions are received in aid of construction or in acquisition of fixed assets. Amortization of these contributions is calculated at the same rates as for the fixed assets to which they relate.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Unbilled revenue

Unbilled revenue represents energy which has been used by Hydro customers but which will not be billed until the subsequent year.

(h) Income recognition

Results of operations of the Thunder Bay Hydro building operations are not included in the statement of operations but are included directly in the statement of equity.

2. PRIOR PERIOD ADJUSTMENT

The Commission and the City of Thunder Bay have reached an agreement on the Commission's share of foreign exchange losses suffered by the City on long term liabilities financed by the City on behalf of the Commission in United States dollars. Comparative figures have been restated to reflect the foreign exchange loss relating to the years 1978 to 1984 amounting to \$256,500. Of this amount \$56,000 relates to 1984 and has been reflected under "Financial expense" on the statement of operations. Previously reported accumulated income at the beginning of the year of \$23,934,065 in 1985 and \$22,083,764 in 1984 have been adjusted by \$256,500 and \$200,500 respectively.

3. INVESTMENTS

Investments consist of bank term deposits, maturing within 12 months, at interest of 9.00% to 9.50% (1984, 11.90% to 13.60%).

4. EQUITY IN THE ONTARIO HYDRO SYSTEM

Equity in the Ontario Hydro system, shown at \$38,761,304 (1984, \$36,635,889), is in accordance with latest available information from Ontario Hydro.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

5. LONG TERM LIABILITIES FINANCED BY THE MUNICIPALITY

The debt of \$1,954,000 is payable in varying amounts during the years 1986 to 1997.

Included in the long term liabilities financed by the Municipality is an amount of \$1,405,000 (1984, \$1,443,000) payable in United States dollars. If the liability had been translated into Canadian dollars at the exchange rate prevailing at December 31, 1985, the liability would be increased by \$553,000 (1984, \$464,000).

The principal amounts payable to maturity are as follows:

	<u>7 3/4% - 9 3/8%</u>	<u>9 1/2% - 10 1/2%</u>	<u>Total</u>
1986	\$ 27,000	\$ 83,000	\$ 110,000
1987	29,000	91,000	120,000
1988	32,000	99,000	131,000
1989	35,000	109,000	144,000
1990	38,000	120,000	158,000
1991-1997	<u>388,000</u>	<u>903,000</u>	<u>1,291,000</u>
	<u>\$549,000</u>	<u>\$1,405,000</u>	<u>\$1,954,000</u>

6. PAST SERVICE PENSION LIABILITY

The Commission has entered into an agreement to provide past service pension benefits to its employees. The principal outstanding at December 31, 1985 is \$993,659 (1984, \$1,096,773) and is being funded by annual instalments of \$190,856, including interest, until 1992. The amount of the annual payment is subject to a triennial review of the plan, with the last review occurring in 1983.

Principal due over the term of the agreement is as follows:

1986	\$111,364
1987	120,272
1988	129,894
1989	140,285
1990	151,508
1991-1992	<u>340,336</u>
	<u>\$993,659</u>

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

7. CONTRIBUTIONS IN AID OF CONSTRUCTION

	<u>1985</u>	<u>1984</u>
Balance, January 1	\$ 1,076,181	\$ 922,599
Contributions from the City of Thunder Bay	156,609	60,026
Contributions from commercial customers	417,413	208,953
Contributions deferred	(20,598)	(75,448)
	<u>553,424</u>	<u>193,531</u>
Amortization	(57,180)	(39,949)
Balance, December 31	<u>\$ 1,572,425</u>	<u>\$ 1,076,181</u>

8. REVENUES FROM THE SALE OF ENERGY

	<u>1985</u>	<u>1984</u>
Commercial and industrial	\$28,109,799	\$27,038,218
Residential	18,948,677	17,316,654
Municipal street lighting	580,435	545,857
Unbilled revenue adjustment	<u>123,964</u>	<u>271,549</u>
	<u>\$47,762,875</u>	<u>\$45,172,278</u>

9. OTHER OPERATING REVENUE

	<u>1985</u>	<u>1984</u>
Water heater rentals	\$ 173,593	\$ 123,791
Pole line rentals	149,739	146,892
Interest earned	574,277	616,930
Sundry earnings	<u>391,527</u>	<u>395,466</u>
	<u>\$ 1,289,136</u>	<u>\$ 1,283,079</u>

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

10. DEPRECIATION

Depreciation provided during the year consists of:

	<u>1985</u>	<u>1984</u>
Depreciation of general plant	\$1,518,511	\$1,417,127
Depreciation of hot water heaters	39,658	13,374
Depreciation of office and data processing equipment	<u>88,305</u>	<u>34,317</u>
	1,646,474	1,464,818
Depreciation of other fixed assets, included in relevant expense categories on the Statement of Operations	125,054	96,554
Depreciation of Thunder Bay Hydro building included in the Schedule of Thunder Bay Hydro Building Operations	<u>37,403</u>	<u>36,659</u>
	<u>\$1,808,931</u>	<u>\$1,598,031</u>

11. REHABILITATION RESERVE, THUNDER BAY HYDRO BUILDING

	<u>1985</u>	<u>1984</u>
Balance, January 1	\$ 558,475	\$ 406,283
Rental income	<u>115,994</u>	<u>152,192</u>
Balance, December 31	<u>\$ 674,469</u>	<u>\$ 558,475</u>

The rehabilitation reserve, Thunder Bay Hydro building represents the accumulated net income derived from the rental operations of the Thunder Bay Hydro building.

12. ACCRUED VACATION PAY

No provision has been made in these financial statements for accrued vacation pay of \$429,094 (1984, \$374,568).

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED DECEMBER 31, 1985

13. CONTINGENT LIABILITY

The Hydro-Electric Commission of Thunder Bay purchased a sub-transmission line from Ontario Hydro in 1972. While it is the understanding of the Commission that the purchase price included the land on which the line is situated, Ontario Hydro is claiming title to the land. This matter is presently being handled by the solicitors and any financial consequences resulting from the outcome of the dispute is not determinable at this time.

14. COMPARATIVE FIGURES

Certain 1984 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1985.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY
SCHEDULE OF THUNDER BAY HYDRO BUILDING OPERATIONS
YEAR ENDED DECEMBER 31, 1985

	<u>1985</u>	<u>1984</u>
Gross rentals	<u>\$643,844</u>	<u>\$623,740</u>
Less expenses		
Wages and employee fringe benefits	196,576	178,717
Fuel	26,341	28,320
Water, light and telephone	32,761	23,129
Insurance	9,946	9,106
Municipal taxes	95,806	90,671
Repairs and maintenance supplies	98,046	83,952
Parking lot expense	27,636	17,369
Interest on long term debt	3,335	3,625
Depreciation	<u>37,403</u>	<u>36,659</u>
	<u>527,850</u>	<u>471,548</u>
RENTAL INCOME		
(Transferred to Rehabilitation Reserve, Thunder Bay Hydro building)	<u>\$115,994</u>	<u>\$152,192</u>

AUDITOR'S REPORT

CORPORATION OF THE
CITY OF THUNDER BAY

To the Members of the
Thunder Bay Area Emergency
Measures Organization

We have examined the statement of revenue and expenditure of the Thunder Bay Area Emergency Measures Organization for the year ended December 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this financial statement presents fairly the revenues and expenditures for the year ended December 31, 1985 on a basis consistent with that of the preceding year.

Thunder Bay, Canada
April 12, 1986

Thorne Riddell

Thorne Riddell
Chartered Accountants,
Licence No. 1086

Clarkson Gordon

Clarkson Gordon
Chartered Accountants,
Licence No. 1217

THUNDER BAY AREA EMERGENCY MEASURES ORGANIZATION
 STATEMENT OF REVENUE AND EXPENDITURE
 for the year ended December 31, 1985

	1985 <u>Budget</u>	1985 <u>Actual</u>	1984 <u>Actual</u>
REVENUE			
Federal Grant	21,900	23,619	16,479
Provincial Grant	-	3,477	875
Building Rentals	4,000	6,519	4,201
Municipal Grants	37,023	51,336	63,578
Other Revenue	-	-	80
	<u>62,923</u>	<u>84,951</u>	<u>85,172</u>
EXPENDITURE			
Salaries, Wages and Benefits	48,993	67,231	66,146
Hiring Costs	-	3,553	-
Travel	1,100	1,244	1,866
Building Maintenance	4,700	5,276	4,319
Office Supplies and Other Expenses	4,730	4,726	4,952
Mobile Equipment Maintenance	1,750	2,264	3,354
Communications Equipment	500	419	389
Purchase of Equipment	500	-	3,417
Other	650	238	729
	<u>62,923</u>	<u>84,951</u>	<u>85,172</u>



A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
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215 Red River Road
Post Office Box 3475
Thunder Bay, Canada P7B 5J9
Telephone (807) 345-3621

AUDITORS' REPORT

To the Directors of the
City of Thunder Bay
Non-Profit Housing Corporation.

We have examined the financial statements of the City of Thunder Bay
Non-Profit Housing Corporation as at December 31, 1985 consisting of the following:

- Statement 1 - Balance Sheet
- Statement 2 - Sequoia Park - Statement of Income and Accumulated Surplus
- Statement 3 - Glenwood Court - Statement of Operations
- Statement 4 - Paterson Court - Statement of Operations
- Statement 5 - Andras Court - Statement of Income and Accumulated Surplus
- Statement 6 - Other Projects - Statement of Operations
- Statement 7 - Statement of General and Administrative Expenses

Our examination was made in accordance with generally accepted auditing standards,
and accordingly included such tests and other procedures as we considered necessary
in the circumstances.

In our opinion, these financial statements present fairly the
financial position of the Corporation as at December 31, 1985 and the results of
its operations for the year then ended in accordance with the accounting principles
described in note 2 to the financial statements applied on a basis consistent with
that of the preceding year.

Thunder Bay, Canada,
April 7, 1986.

Chartered Accountants.

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

Statement 1

BALANCE SHEET

DECEMBER 31, 1985

(with comparative figures at December 31, 1984)

<u>ASSETS</u>		<u>1985</u>	<u>1984</u>	<u>LIABILITIES, SHARE CAPITAL AND ACCUMULATED SURPLUS</u>		<u>1985</u>	<u>1984</u>
Cash and term deposits			\$ 16,535	Liabilities:			
Accounts receivable:				Rental deposits	\$	76,164	\$ 74,656
Rents and other amounts due from tenants		\$ 14,779	9,751	Accounts payable		100,045	50,822
City of Thunder Bay		833,987	643,655	Deferred revenue		89,507	10,184
Province of Ontario		3,067	3,392	Temporary financing of construction in progress (note 5)			
Construction in progress (note 5)		2,269,362		City of Thunder Bay		134,871	
Capital outlay to be recovered in future years		13,415,737	13,437,069	Contractors' accounts payable including holdback		931,301	
				Advances on mortgages		1,203,190	
				Due to Canada Mortgage and Housing Corporation			
				- Statement 4		80,217	88,737
				Due to Province of Ontario - Statement 3		6,628	4,594
				Mortgages payable (note 3)		13,415,737	13,437,069
				Provision for repairs and replacements (note 6)		233,440	256,575
						<u>16,271,100</u>	<u>13,922,637</u>
				Share capital -			
				Authorized and issued:			
				1 - common share without par value		40,000	40,000
				Accumulated surplus - Sequoia Park - Statement 2		78,382	49,913
				- Andras Court - Statement 5		<u>147,450</u>	<u>97,832</u>
						<u>265,832</u>	<u>187,745</u>
						<u>\$16,536,932</u>	<u>\$14,110,402</u>

On behalf of the Board:

Director

Director

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

SEQUOIA PARK

STATEMENT OF INCOME AND ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	1985	1984
Income:		
Rentals - Market rent tenants	\$154,615	\$149,977
- Rent geared to income tenants	27,330	26,509
Ontario Housing Corporation rent subsidy	49,497	52,451
Ontario Housing Corporation rent reduction grant	18,741	25,240
Canada Mortgage and Housing Corporation interest reduction grant	27,052	27,052
Miscellaneous	8,128	7,646
	<u>285,363</u>	<u>288,875</u>
Expenses:		
Administration fee	14,189	13,700
Bad debts	862	1,500
Building maintenance - general	5,157	7,318
- mechanical	2,205	2,598
Depreciation (note 2(b))	3,219	2,934
General expense	18	410
Grounds maintenance	542	8,860
Insurance	3,527	2,852
Interest - Canada Mortgage and Housing Corporation	181,305	181,591
Painting	2,314	9,041
Salaries and benefits	881	358
Supplies - janitorial	43	150
Taxes	39,461	37,346
Utilities - heat	526	327
- water	32	236
- hydro	13	26
	<u>254,294</u>	<u>269,247</u>
Surplus for year before the following	31,069	19,628
Provision for repairs and replacements	(2,600)	(5,200)
Surplus for year	28,469	14,428
Accumulated surplus, beginning of year	49,913	35,485
Accumulated surplus, end of year	<u>\$ 78,382</u>	<u>\$ 49,913</u>

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

GLENWOOD COURT

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	1985	1984
Income:		
Rentals - Market rent tenants	\$182,417	\$177,030
- Rent geared to income tenants	12,662	12,288
Canada Mortgage and Housing Corporation		
- rent subsidy	261,422	261,422
Province of Ontario - rent subsidy	36,601	22,238
Miscellaneous	5,422	4,451
Province of Ontario - maintenance subsidy	88,147	
Bad debts recovered	112	
	<u>586,783</u>	<u>477,429</u>
Expenses:		
Administration fee	28,082	24,675
Bad debts		141
Building maintenance - elevator	1,298	1,323
- mechanical	658	1,465
- structural	86,857	
- general	2,982	6,566
- garbage bin	3,975	
- architectural	7,275	
Depreciation (note 2(b))	1,028	860
Equipment maintenance	91	107
General expense	10	672
Grounds maintenance	409	398
Insurance	2,685	2,602
Interest - Canada Mortgage and Housing Corporation	333,891	334,060
Janitorial supplies	1,854	1,473
Painting - interior and exterior	3,608	5,613
Pest control	25	25
Salaries and benefits	19,727	15,108
Snow removal	4,152	1,188
Taxes	45,847	43,410
Utilities - heat	5,797	6,787
- water	2,887	2,561
- hydro	12,119	8,983
- telephone	1,398	1,318
	<u>566,655</u>	<u>459,335</u>
Surplus for year before the following	20,128	18,094
Provision for repairs and replacements	(13,500)	(13,500)
Surplus for year	<u>\$ 6,628</u>	<u>\$ 4,594</u>
Payable to Province of Ontario	<u>\$ (6,628)</u>	<u>\$ (4,594)</u>

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

PATERSON COURT

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	1985	1984
Income:		
Rentals - Market rent tenants	\$ 308,735	\$ 295,102
- Rent geared to income tenants	124,630	119,130
Canada Mortgage and Housing Corporation		
- rent subsidy	733,139	733,139
Miscellaneous	30,079	24,786
	<u>1,196,583</u>	<u>1,172,157</u>
Expenses:		
Administration fee	53,889	49,350
Building maintenance - elevator	3,780	1,575
- general	4,068	4,324
- mechanical	2,454	1,872
Depreciation (note 2(b))	1,913	1,579
General expense	613	
Grounds maintenance	31	4
Insurance	4,621	4,479
Interest - Canada Mortgage and Housing Corporation	808,579	802,660
Janitorial supplies	1,828	2,664
Painting	335	103
Salaries and benefits	33,075	29,440
Snow removal	2,595	2,185
Taxes	93,011	86,626
Utilities - heat	16,549	18,426
- water	2,842	3,270
- hydro	50,673	39,488
- telephone	510	355
	<u>1,081,366</u>	<u>1,048,400</u>
Surplus for year before the following	115,217	123,757
Provision for repairs and replacements	(35,000)	(35,000)
Surplus for year	<u>\$ 80,217</u>	<u>\$ 88,757</u>
Payable to Canada Mortgage & Housing Corporation	<u>\$ (80,217)</u>	<u>\$ (88,757)</u>

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

ANDRAS COURT

STATEMENT OF INCOME AND ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	1985	1984
Income:		
Rentals - Market rent tenants	\$ 430,877	\$408,568
- Rent geared to income tenants	194,583	184,508
Ontario Housing Corporation - rent subsidy	278,696	254,893
Canada Mortgage and Housing Corporation		
- interest reduction grant	37,060	50,140
Miscellaneous	56,696	44,995
Student employment grant	2,353	
	<u>1,000,265</u>	<u>943,104</u>
Expenses:		
Administration fee	55,189	41,205
Building maintenance - elevator	3,885	3,886
- general	25,763	26,133
- mechanical	9,624	10,571
Depreciation (note 2(b))	15,171	14,026
Equipment - maintenance	2,003	347
- purchase		19,511
General expense	121	8,157
Ground and parking lot maintenance	387	2,178
Insurance	5,482	7,392
Interest - Canada Mortgage and Housing Corporation	395,160	396,304
Janitorial supplies and security	5,578	7,639
Painting	1,669	
Pest control	850	900
Salaries and benefits	38,816	33,628
Taxes	156,200	147,830
Utilities - cable T.V.	19,401	22,982
- heat	54,502	59,984
- water	10,722	9,023
- hydro	89,365	85,074
- telephone	2,194	1,280
	<u>892,082</u>	<u>898,050</u>
Surplus for year before the following	108,183	45,054
Provision for repairs and replacements	(58,565)	(58,565)
Surplus (deficit) for year	49,618	(13,511)
Accumulated surplus at beginning of year	97,832	111,343
Accumulated surplus at end of year	<u>\$ 147,450</u>	<u>\$ 97,832</u>

(See notes to financial statements)

Statement 6

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATIONOTHER PROJECTS (SCHEDULE 1)
(note 4)STATEMENT OF OPERATIONSYEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	<u>1985</u>	<u>1984</u>
Income - rentals	<u>\$37,001</u>	<u>\$35,542</u>
Expenses:		
Bad debts	200	
Insurance	339	332
Leases	3,600	3,600
Repairs and maintenance	7,797	3,421
Taxes	2,681	1,335
Utilities	19,277	18,986
	<u>33,894</u>	<u>27,674</u>
Income for year	<u>\$ 3,107</u>	<u>\$ 7,868</u>
Allocation to general and administrative expenses - Statement 7	<u>\$(3,107)</u>	<u>\$(7,868)</u>

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATIONSTATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES

YEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	<u>1985</u>	<u>1984</u>
Operating expenses:		
Advertising	\$ 1,247	\$ 779
Interest - last month's rent deposit	4,427	5,901
Office expense	14,773	12,180
Office rent	3,375	3,375
Professional fees	17,088	16,484
Purchased services		685
Purchase of equipment	8,533	
Salaries and benefits	105,115	75,745
Travel	<u>3,595</u>	<u>5,316</u>
	158,153	120,465
Less: Allocated to housing projects	(151,349)	(104,390)
Interest income	(7,300)	(8,207)
Income for year - Statement 6	<u>(3,107)</u>	<u>(7,868)</u>
Net operating surplus for year	3,603	Nil
Other expenses - Architect fees - Royal Edward Hotel		12,000
- Subsidized by City of Thunder Bay		<u>(12,000)</u>
Surplus for year	\$ <u>3,603</u>	\$ <u>Nil</u>

(See notes to financial statements)

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. Incorporation and objects

The Corporation is incorporated as a non-profit organization under the Ontario Business Corporations Act to provide and operate housing accommodation for persons of low or modest income at rentals below the current rental market. Certain approved projects receive support by way of grants and low interest loans from various levels of government and as such are bound by the provisions of specific operating agreements in regards to rates charged and the transferability of excess revenues.

2. Significant accounting policies

(a) Capital outlay to be recovered in future years -

To conform with municipal accounting policies, the historical cost and accumulated depreciation of fixed assets are not reported in the financial statements. Instead the fixed assets are carried at a value equal to the principal outstanding of the unmatured debt related thereto.

(b) Depreciation -

Depreciation is recorded in annual amounts equal to the principal reduction in the mortgage debt.

(c) Provision for repairs and replacements -

In accordance with the terms of the Corporation's agreements with Canada Mortgage and Housing Corporation, the Corporation is required to make annual provisions for repairs and replacements of furnishings, equipment, etc. These provisions are to accumulate to certain specified amounts which are to be maintained until the mortgage debt is retired.

(d) Charges for net long-term liabilities -

Debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the period from the date of the latest interest payments to the end of the fiscal year.

3. Mortgages payable

Sequoia Park -

To Canada Mortgage and Housing Corporation in the amount of \$2,162,069 to be reduced by earned forgiveness after 50 years of \$217,928. The mortgage is secured by the assets of the Sequoia Project and bears interest at 9-1/2% reduced to 8% by interest reduction grants from C.M.H.C. The mortgage is repayable in monthly instalments of \$15,377.

Glenwood Court -

To Mutual Life Assurance Company of Canada in the amount of \$1,848,529 secured by assets of Glenwood Court, bearing interest at 18-3/4% payable in monthly instalments of principal and interest of \$27,910 to September 15, 1987 when the balance is due and payable.

Paterson Court -

To Mutual Life Assurance Company of Canada in the amount of \$4,392,264 secured by assets of Paterson Court, bearing interest at 19-1/8% payable in monthly instalments of principal and interest of \$67,541 to June 30, 1988 when the balance is due and payable.

Andras Court -

To Canada Mortgage and Housing Corporation in the amount of \$5,012,875 secured by assets of Andras Court, bearing interest at 8% payable in monthly instalments of principal and interest of \$34,194 maturing in the year 2027.

4. Other projects

The statement of operations for other projects includes the income and expenses for the following:

Franklin Street School -

During 1981, the City of Thunder Bay purchased the Franklin Street School for \$150,000 and title was recorded in the name of the Corporation. Presently, neither the asset nor the liability to the City of Thunder Bay has been recorded in the Corporation's books. If the school is used in the future as a non-profit housing project, the asset and liability will be recorded at that time by the Corporation.

241 May Street -

The Corporation leases this property from the City of Thunder Bay at a rental of \$2,400 per year. The lease expires December 31, 1985.

Pearl Street -

The Corporation acquired this property by way of transfer from the City of Thunder Bay. In 1983, this property was demolished.

4. Other projects (continued)

Elgin Street -

This property is leased from the City of Thunder Bay at a rental of \$1,200 per year. The lease expires in 1996.

Northern Avenue -

The Corporation acquired this property by way of transfer from the City of Thunder Bay.

5. Construction in progress

During 1985, the Corporation received approval for, and began construction of 64 family apartments in the former Royal Edward Hotel Building, a 12 family unit apartment building on McLaughlin Street, and 26 duplexes and 1 single family residence in the Blucher Street area.

The funding for these projects is as follows:

	Royal Edward Hotel	Blucher Park	McLaughlin Court
Mortgage 11.875% 5 year term amortized over			
25 years	\$2,065,000		
35 years		\$3,538,437	\$547,965
Grants from:			
Ministry Citizenship and Culture	\$ 40,000		
CMHC RRAP Grant	224,000		
Ministry of Northern Affairs	260,000		
Ministry of Housing - Convert to rent	448,000		
	\$ 972,000		
City of Thunder Bay	\$ 248,000		

At the year end, the following had been expended on these projects:

	Royal Edward Hotel	Blucher Park	McLaughlin Court	Total
Legal fees	\$ 250	\$ 16,993		
Insurance	4,000			
Construction	789,749	732,592	\$228,633	
Architects	125,883	16,308	7,779	
Land		788,655	22,232	
Survey		5,059	504	
Organization expense	1,735			
Mortgage application fee	16,100	5,300	1,200	
Land servicing		3,367		
Interest on advances		10,855		
Equipment and furnishings	300			
	938,017	1,579,129	260,348	
Less: Subsidized by sale of old rugs	132			
City of Thunder Bay	248,000			
Ministry of Northern Affairs Grant	260,000			
	\$429,885	\$1,579,129	\$260,348	\$2,269,362

6. Provision for repairs and replacements

	<u>Sequoia Park</u>	<u>Glenwood Court</u>	<u>Paterson Court</u>	<u>Andras Court</u>	<u>Total</u>
Balance, beginning of year	\$23,400	\$35,450	\$56,250	\$ 141,475	\$ 256,575
Reserve for year	<u>2,600</u>	<u>13,500</u>	<u>35,000</u>	<u>58,565</u>	<u>109,665</u>
	26,000	48,950	91,250	200,040	366,240
Interest earned during year		4,000	7,000	13,300	24,300
Expenditure during year					
- Painting and sealing exterior walls				(110,600)	(110,600)
- replacement of two makeup air units				(46,500)	(46,500)
Balance, end of year	<u>\$26,000</u>	<u>\$52,950</u>	<u>\$98,250</u>	<u>\$ 56,240</u>	<u>\$ 233,440</u>

7. Comparative figures

Certain of the 1984 comparative figures have been reclassified to conform to the current year's presentation.

8. Commitment

During the year the Corporation entered into an agreement with the Corporation of the City of Thunder Bay to lease the Royal Edward Hotel property for a period of thirty years. The lease is a net lease and is subject to certain conditions regarding the construction of improvements.

The schedule for future lease payments is as follows:

<u>Years</u>	<u>Annual Lease Payment</u>
1985 - 1999	\$1
2000 - 2004	\$20,000
2005 - 2014	\$25,000

Schedule 1

CITY OF THUNDER BAY NON-PROFIT HOUSING CORPORATIONOTHER PROJECTSSCHEDULE OF INCOME AND EXPENSES

YEAR ENDED DECEMBER 31, 1985
 (with comparative figures for 1984)

	Franklin Street School	241 May Street	Pearl Street	Elgin Street	601 Northern Avenue	1985 Total	1984 Total
Income - rentals	\$20,485	\$9,516		\$4,200	\$2,800	\$37,001	\$35,542
Expenses:							
Bad debts	200					200	
Insurance	160	80		71	28	339	332
Leases		2,400		1,200		3,600	3,600
Repairs and maintenance	6,451	667	\$ 100	346	233	7,797	3,421
Taxes		1,551		594	536	2,681	1,335
Utilities	15,026	4,038			213	19,277	18,986
	<u>21,837</u>	<u>8,736</u>	<u>100</u>	<u>2,211</u>	<u>1,010</u>	<u>33,894</u>	<u>27,674</u>
Income (loss) for year	<u>\$(1,352)</u>	<u>\$ 780</u>	<u>\$(100)</u>	<u>\$1,989</u>	<u>\$1,790</u>	<u>\$ 3,107</u>	<u>\$ 7,868</u>



A MEMBER OF ARTHUR YOUNG INTERNATIONAL

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AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers
of The Corporation of the
City of Thunder Bay.

We have examined the balance sheet of the Telecommunication Department of The Corporation of the City of Thunder Bay as at December 31, 1985 and the statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Telecommunication Department as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 12, 1986.

Clarkson Gordon,
Chartered Accountants.

Thorne Riddell,
Chartered Accountants.

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

BALANCE SHEET

AS AT DECEMBER 31, 1985

ASSETS

	<u>1985</u>	<u>1984</u> (note 2)
Telecommunication property		
Building, plant and equipment at cost	\$79,279,034	\$72,554,201
Less: Accumulated depreciation	<u>34,646,622</u>	<u>31,226,441</u>
	44,632,412	41,327,760
Land	59,225	59,225
Plant under construction	919,538	1,384,947
Materials and supplies	<u>893,985</u>	<u>970,007</u>
	46,505,160	43,741,939
Investments at cost	<u>1,584,457</u>	<u>1,412,304</u>
Current assets		
Accounts receivable	4,347,032	3,558,290
Due from City of Thunder Bay	605,718	
Net investment in leases (note 3)	<u>139,999</u>	
	<u>5,092,749</u>	<u>3,558,290</u>
Other assets		
Net investment in leases (note 3)	791,767	
Deferred charges	<u>42,870</u>	<u>1,528</u>
	834,637	1,528
Total assets	<u>\$54,017,003</u>	<u>\$48,714,061</u>

LIABILITIES AND RETAINED EARNINGS

Retained earnings	\$48,796,565	\$43,009,049
Long-term debt (note 4)	<u>2,649,000</u>	<u>2,900,000</u>
Current liabilities -		
Accounts payable - City of Thunder Bay		685,990
Accounts payable	2,306,500	1,946,759
Other current liabilities	13,938	148,363
Debt due within one year (note 4)	<u>251,000</u>	<u>224,000</u>
	<u>2,571,438</u>	<u>2,805,012</u>
Total liabilities and retained earnings	<u>\$54,017,003</u>	<u>\$48,714,061</u>

(See notes to financial statements)

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

STATEMENT OF RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31

	<u>1985</u>	<u>1984</u> (note 2)
Retained earnings, beginning of year		
As previously reported	\$43,256,181	\$38,553,071
Prior period adjustment (note 2)	<u>247,132</u>	<u>194,842</u>
As restated	43,009,049	38,358,229
Net income for year	<u>5,787,516</u>	<u>4,650,820</u>
Retained earnings, end of year	<u>\$48,796,565</u>	<u>\$43,009,049</u>

(See notes to financial statements)

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31

	<u>1985</u>	<u>1984</u> (note 2)
Operating revenues -		
Local service	\$11,644,343	\$10,678,621
Long distance services	8,458,864	7,328,952
Other	<u>3,087,553</u>	<u>2,300,578</u>
Total operating revenues	<u>23,190,760</u>	<u>20,308,151</u>
Operating expenses -		
Maintenance and repairs	4,012,130	3,857,203
Depreciation	3,606,037	3,269,505
Marketing and commercial	2,540,472	2,080,746
Accounting and administration	1,008,416	905,915
Business information systems	309,171	121,663
Pensions and other employee benefits	1,193,021	1,090,563
Taxes other than income taxes	1,414,411	1,286,096
Other	<u>3,069,798</u>	<u>2,799,142</u>
Total operating expenses	<u>17,153,456</u>	<u>15,410,833</u>
Net operating revenues	6,037,304	4,897,318
Other income		
Interest income	<u>147,298</u>	<u>161,417</u>
Income before interest charges	<u>6,184,602</u>	<u>5,058,735</u>
Interest charges		
Interest on long-term debt		
including foreign exchange loss	393,184	403,681
Other	<u>3,902</u>	<u>4,234</u>
	<u>397,086</u>	<u>407,915</u>
Net income for year	<u>\$ 5,787,516</u>	<u>\$ 4,650,820</u>

(See notes to financial statements)

THE CORPORATION OF THE CITY OF THUNDER BAY
TELECOMMUNICATION DEPARTMENT
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31

	<u>1985</u>	<u>1984</u> (note 2)
Source of funds -		
Operations:		
Net income for year	\$5,787,516	\$4,650,820
Items not affecting current funds		
Depreciation	<u>3,606,037</u>	<u>3,269,505</u>
Total funds from operations	<u>9,393,553</u>	<u>7,920,325</u>
Disposition of funds -		
Capital expenditures:		
Gross capital expenditures	6,445,280	6,320,890
Decrease in material and supplies	<u>(76,022)</u>	<u>(428,375)</u>
Net capital expenditures	6,369,258	5,892,515
Purchase of investments	172,153	186,170
Long-term debt paid or included		
in current liabilities	251,000	224,000
Net investment in leases	791,767	
Other	<u>41,342</u>	<u>1,528</u>
	<u>7,625,520</u>	<u>6,304,213</u>
Increase in working capital	<u>1,768,033</u>	<u>1,616,112</u>
Working capital (deficiency), beginning of year		
As previously reported	1,000,410	(667,992)
Prior period adjustment (note 2)	<u>(247,132)</u>	<u>(194,842)</u>
As restated	<u>753,278</u>	<u>(862,834)</u>
Working capital, end of year	<u>\$2,521,311</u>	<u>\$ 753,278</u>
Working capital is represented by:		
Current assets	\$5,092,749	\$3,558,290
Less current liabilities	<u>2,571,438</u>	<u>2,805,012</u>
	<u>\$2,521,311</u>	<u>\$ 753,278</u>

(See notes to financial statements)

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. Basis of Financial Statement Presentation and Significant Accounting Policies

(a) Basis of Financial Statement Presentation

Background -

Prior to January 1, 1984, the accounts of the Telecommunication Department of The Corporation of the City of Thunder Bay were maintained on a basis which was in accordance with accounting principles generally accepted for Ontario Municipalities as established by the Ministry of Municipal Affairs and Housing. These accounting principles require (a) that capital expenditures be expensed each year to the extent they are not financed by debenture borrowing and (b) that the financial statements of all City departments be consolidated. The financial statements of the Telecommunication Department prepared in accordance with these accounting principles were used for presentation to the Ontario Telephone Service Commission, the body responsible for regulating the Department's telephone rates.

The operations of the Telecommunication Department are governed by the Ontario Telephone Act and subject to regulatory procedures under that Act as administered by the Ontario Telephone Service Commission. In general, the Commission follows a rate base and rate of return approach to regulation, under which investment in plant forms an important part of the base for determining rates for service. In the past the Commission found it difficult to carry out its responsibilities using the financial information presented in accordance with municipal accounting requirements.

In November, 1982, the Commission by way of order, directed The Corporation of the City of Thunder Bay to prepare its accounts for the Telecommunication Department for 1984 and subsequent years in accordance with accounting principles generally accepted in the telephone industry.

In October, 1984, the Ministry of Municipal Affairs and Housing exempted The Corporation of the City of Thunder Bay from reporting the Telecommunication Department's accounts on the accounting basis previously required for Ontario Municipalities and allowed the reporting to be done on the basis followed in the telephone industry.

In March, 1985, the Members of Council of The Corporation of the City of Thunder Bay approved the adoption of accounting principles generally accepted in the industry as the basis of reporting on the affairs of the Telecommunication Department for 1984 and future years.

(a) Basis of Financial Statement Presentation (continued)

Due to the adoption in 1984 of the accounting principles outlined below, it was necessary to establish a carrying value for fixed assets and an annual depreciation charge. Since fixed asset records had not been maintained in past years, it was necessary to make certain assumptions in arriving at the value attributed to fixed assets. The cost value was arrived at by aggregating capital expenditures as reported in the financial statements of the telephone departments of Port Arthur and Fort William for the years to 1969 and since then from the records of the City of Thunder Bay. Since fixed assets records were not maintained, it is not possible to take into account retirements or disposals of fixed assets. It was assumed that all capital expenditures prior to 1965 amounting to \$7,217,515 were fully depreciated and this amount has been included in both cost and accumulated depreciation on the balance sheet. Further, since fixed assets cannot be categorized by type of plant, it was not possible to determine depreciation rates by class of property as required by the Ontario Telephone Service Commission. In lieu of this, an overall depreciation rate of 5% applied retroactively on a straight-line basis was adopted with the expectation that this would approximate the amortization of the fixed assets over their estimated useful life.

The Telecommunication Department is presently undertaking a physical inventory of its fixed assets and once completed will attempt to allocate values to the various classes of property and recompute the accumulated depreciation in accordance with the estimated useful life of the properties.

(b) Significant Accounting Policies

(i) The Telecommunication Department of The Corporation of the City of Thunder Bay follows accounting principles which are prescribed by the Ontario Telephone Service Commission.

(ii) Related party transactions -

Because of the integration of the Telecommunication Department with other entities and departments of The Corporation of the City of Thunder Bay, it is impractical to detail the many related transactions that take place between these bodies.

The Corporation, however, does allocate direct expenses to the benefitting department and common costs such as accounting, billing, purchasing and administration are allocated on the basis of a formula established for this purpose. The amount charged for common expenses in 1985 was \$1,842,000 (\$1,750,043 in 1984).

(iii) Depreciation -

Depreciation has been computed on the straight-line method using a 5% rate (see note 1 (a) for further details).

(b) Significant Accounting policies (continued)

(iv) Materials and supplies -

Inventories are valued at the lower of cost (calculated generally on a first-in, first-out basis) or net realizable value.

(v) Leases -

Leases are classified as capital or operating leases. For leases which qualify as sales-type leases, the sales revenue and cost of sale is recorded at the inception of the lease. Finance income related to sales-type leases is recognized as interest income in a manner that produces a constant rate of return on the investment in the lease. The investment in the leases for purposes of income recognition is composed of net minimum lease payments and unearned finance income.

(vi) Sick leave benefit plan -

Under this plan, certain employees may become entitled to a cash payment for vested sick leave benefits when they leave the employ of The Corporation of the City of Thunder Bay. It is the policy of the Corporation to expense these payments as incurred and no accrual is made in the financial statements for the accumulated liability (see note 5).

(vii) Past service pension benefits -

It is the policy of the Corporation not to accrue for past service pension benefits as they are earned and no accrual is made in the financial statements for the accumulated liability (see note 6).

(viii) Foreign exchange translation -

The Corporation follows the practice of reflecting the exchange loss on its foreign debt only as realized. The unmatured U.S. debentures referred to in note 4 have not been translated into their Canadian dollar equivalent as at the year end.

(ix) Debenture Interest -

No accrual is made in the financial statements for interest between instalment dates. Interest expense is recorded only when paid.

2. Prior Period Adjustment

Due to an accounting error in prior years, the Telecommunication Department was not charged with the foreign exchange applicable to the instalment payments of principal and interest on its U.S. pay debentures. In 1985 this was corrected retroactively resulting in a charge for the current year of \$64,343, 1984 of \$52,290 and 1983 and prior years of \$194,842.

3. Net investment in leases

The Department's net investment in leases include the following:

Total minimum lease payments receivable	\$1,411,920
Less unearned income	<u>480,154</u>
	\$ <u>931,766</u>

Future minimum lease payments receivable under sales-types leases are as follows:

1986	\$ 269,775
1987	268,836
1988	247,747
1989	211,667
1990 and future	<u>413,895</u>
	<u>\$1,411,920</u>

4. Long-term debt

Debentures	Payable in			Total
	Canadian Funds	U.S. Funds		
	13.00%-1990	8.75%-1987 9.375%-1997	9.125%	
Due 1986	\$150,000	\$ 38,000	\$ 63,000	\$ 251,000
1987	170,000	42,000	67,000	279,000
1988	191,000	46,000	74,000	311,000
1989	216,000	50,000	82,000	348,000
1990 - 1997	<u>244,000</u>	<u>608,000</u>	<u>859,000</u>	<u>1,711,000</u>
	<u>\$971,000</u>	<u>\$784,000</u>	<u>\$1,145,000</u>	<u>2,900,000</u>
Less due within one year				<u>251,000</u>
				<u>\$2,649,000</u>

As stated in note 1, the U.S. pay debentures totalling \$1,145,000 have not been translated into Canadian dollars at the year end. Had this liability been translated at the year end exchange rate, the liability would be increased by \$450,000.

5. Vested sick leave benefits

The liability for sick leave benefits, to the extent vested which could be taken in cash by employees on termination, amounted to approximately \$1,169,000 at the year end.

6. Past service pension obligation

The Corporation has a liability as at the year end to its employees for past service pension benefits amounting to \$962,493. This telecommunication liability is to be funded in annual instalments of \$137,499 over the next seven years.

AUDITORS' REPORT

To the Directors of
Thunder Bay Community Auditorium Inc.

We have examined the balance sheet of the Thunder Bay Community Auditorium Inc. as at December 31, 1985 and the statements of operating revenue and expenditure and fund balance, capital operations, and continuity of concert fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as noted in the following paragraph.

As is common in organizations of this type, donations, by their nature, are not susceptible to complete verification by audit procedures. Accordingly, our examination of revenue from this source was confined to comparisons of recorded receipts with bank deposits.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to completely verify revenue as explained in the preceding paragraph, these financial statements present fairly the financial position of the Organization as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles set out in note 2 to the financial statements applied, after giving retroactive effect to the changes in accounting principles referred to in note 3, on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 21, 1986.

Clarkson Gordon
Clarkson Gordon,
Chartered Accountants.
Licence No. 1217.

Thorne Riddell
Thorne Riddell,
Chartered Accountants.
Licence No. 1086.

THUNDER BAY COMMUNITY AUDITORIUM INC.
(Incorporated as a charitable organization under the Ontario Corporations Act)

BALANCE SHEET

DECEMBER 31, 1985
(with comparative figures as at December 31, 1984)

	<u>1985</u>	<u>1984</u>
<u>ASSETS</u>		
Current:		
Cash	\$ 1,437	\$ 69,500
Inventories (note 5)	37,446	5,478
Prepaid expenses (note 6)	<u>83,306</u>	<u>19,655</u>
	122,189	94,633
Unfinanced capital outlay to be recovered in future years (note 4)	<u>1,700,775</u>	<u> </u>
	<u>\$1,822,964</u>	<u>\$ 94,633</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Current:		
Accounts payable	\$ 164,910	
Deferred revenue (note 7)	<u>289,875</u>	
	454,785	
Due to City of Thunder Bay	\$1,700,775	
Less funds held by City on behalf of Auditorium	<u>332,596</u>	<u>1,368,179</u>
	<u>1,822,964</u>	<u>1,368,179</u>
Fund balances:		
Unexpended capital financing (note 3(ii))		116,922
Concert fund		1,500
Operating deficit		<u>(23,789)</u>
		94,633
	<u>\$1,822,964</u>	<u>\$ 94,633</u>

(See notes to financial statements)

THUNDER BAY COMMUNITY AUDITORIUM INC.

STATEMENT OF OPERATING REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1985

(notes 1 and 9)

Revenue:		
Donations		\$ 6,100
Performance rentals		22,696
Performance ticket sales		575,084
Provincial grant		15,545
Federal grant		2,278
Merchandise sales		27,218
Bar sales		37,151
Other		<u>16,482</u>
Total revenue		<u>702,554</u>
Expenditures:		
Artists fees		334,027
Administration -		
Salaries and benefits	\$136,052	
Other	<u>178,202</u>	314,254
Operations -		
Salaries and benefits	45,453	
Other	<u>80,251</u>	125,704
Box office -		
Salaries and benefits	105,165	
Other	<u>84,602</u>	189,767
Technical -		
Salaries and benefits	67,511	
Other	<u>7,410</u>	74,921
Public relations -		
Salaries and benefits	32,816	
Other	<u>79,247</u>	112,063
Seed program -		
Salaries and benefits		4,169
Bar and boutique -		
Salaries and benefits	7,750	
Other	<u>52,189</u>	59,939
Opening week promotions		<u>25,254</u>
Total expenditures		<u>1,240,098</u>
Excess of expenditure over revenue for year		(537,544)
Deficit, beginning of year		<u>(23,789)</u>
		561,333
Less:		
Contribution from City of Thunder Bay	537,544	
Transfer from capital operations	<u>23,789</u>	<u>561,333</u>
Fund balance		\$ <u>Nil</u>

(See notes to financial statements)

THUNDER BAY COMMUNITY AUDITORIUM INC.

STATEMENT OF CAPITAL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	<u>1985</u>	<u>1984</u>
Capital cost, beginning of year	\$ 9,436,909	\$2,551,559
Capital expenditures during year:		
Construction costs and other capital expenditures	<u>5,233,271</u>	<u>6,885,350</u>
Total capital cost	<u>14,670,180</u>	<u>9,436,909</u>
Total capital financing:		
Grants - Federal	3,500,000	3,000,000
- Provincial	5,025,000	3,006,518
- City of Thunder Bay	1,924,000	1,555,461
Donations	1,973,745	1,613,288
Interest income - net	523,211	557,106
Sales tax rebate	404,770	181,240
Other	<u>34,087</u>	<u>33,337</u>
	<u>13,384,813</u>	<u>9,946,950</u>
Less accumulated operating fund deficits	<u>(416,908)</u>	<u>(393,119)</u>
	<u>12,967,905</u>	<u>9,553,831</u>
Transfer from concert fund	<u>1,500</u>	
Unfinanced capital outlay (unexpended capital financing), end of year	\$ <u>1,700,775</u>	\$ <u>(116,922)</u>

STATEMENT OF CONCERT FUND

FOR THE YEAR ENDED DECEMBER 31, 1985
(with comparative figures for 1984)

	<u>1985</u>	<u>1984</u>
Balance, beginning of year	\$1,500	\$1,500
Transfer to capital operations	<u>1,500</u>	
Balance, end of year	\$ <u>Nil</u>	\$ <u>1,500</u>

(See notes to financial statements)

THUNDER BAY COMMUNITY AUDITORIUM INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. Incorporation and commencement of operations

The Thunder Bay Community Auditorium Inc. was incorporated in 1971 as a not-for-profit organization without share capital under the Ontario Corporations Act.

In October, 1985, the auditorium facility opened to the general public. While various costs continue to be capitalized, the statement of operating revenue and expenditures includes revenues and expenses of an operating nature received or incurred prior to the date of commercial operation which in the decision of the Board of Directors was more appropriately included in the statement of operating revenue and expenditures.

2. Significant accounting principles

The Thunder Bay Community Auditorium Inc. follows accounting principles generally accepted for Ontario municipalities. The most significant of these are as follows:

(i) Fixed assets -

The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Expenditures on fixed assets are charged against current revenue as acquired unless the expenditures are financed or to be financed by way of long-term debt or capital grants in which case they are charged to capital operations. No depreciation is charged on fixed assets.

(ii) Accrual basis of accounting -

The accrual basis of accounting is followed for all revenues and expenditures except for donations which are accounted for on a cash basis.

(iii) Inventories -

Inventories which consist primarily of bar supplies and merchandise for resale are valued at the lower of cost and net realizable value.

(iv) Deferred revenue -

Performance revenue is recognized in the year the performance occurs. Revenue from the sale of gift certificates is deferred until the certificates are redeemed.

3. Changes in accounting practice

Due to the adoption in 1985 of accounting principles generally accepted for Ontario municipalities as outlined in note 2, it was necessary to restate certain of the 1984 comparative figures to conform with the 1985 presentation. The major restatements are as follows:

3. Changes in accounting practice (continued)

- (i) Pledges receivable of \$518,029 which were recorded in previous years have been eliminated from the financial statements and are now reflected as a note to the financial statements (see note 8).
- (ii) The carrying values of the building under construction and the building fund balance have been netted to reflect the unexpended capital financing at the end of 1984 as follows:

Building under construction		\$9,436,909
Less: Building fund balance	\$10,071,860	
Less pledges receivable	<u>518,029</u>	<u>9,553,831</u>
Unexpended capital financing		\$ <u>(116,922)</u>

4. Unfinanced capital outlay to be recovered in future years

It is expected that the unfinanced capital outlay will be recovered in future years from donations, grants from external sources and grants from the City of Thunder Bay.

5. Inventories

Inventories consist of the following:

Bar supplies	\$ 5,478
Tapes and records	26,646
Giftware	<u>5,322</u>
	<u>\$37,446</u>

6. Prepaid expenses

The prepaid expenses consist of the following:

Office supplies	\$10,000
Consulting fees	4,000
Printing charges	10,000
Advertising	51,000
Performance deposit	<u>8,306</u>
	<u>\$83,306</u>

7. Deferred revenue

Deferred revenue consists of the following:

Pre-sold performance tickets	\$276,425
Gift certificates	<u>13,450</u>
	<u>\$289,875</u>

8. Pledges receivable

As referred to in note 3(1), pledges receivable are not reflected in the balance sheet. It is expected however that over the next three years collection of pledges receivable will be as follows:

1986 - \$235,653
1987 - 30,300
1988 - 11,000

Donations will be recorded when received and will reduce the amount due to the City of Thunder Bay and the unfinanced capital outlay to be recovered in future years.

9. Comparative figures

Comparative figures for 1984 are not provided in the statement of operating revenue and expenditure as they would not provide a meaningful comparison.

1985

FINANCIAL INFORMATION RETURN

MINISTRY OF MUNICIPAL AFFAIRS

This return includes the consolidation
of the following local boards which are
not consolidated in the audited financial
statements.

Thunder Bay District Health Unit
Thunder Bay Area Emergency Measures
Organization

1985 FINANCIAL INFORMATION RETURN

MUNICIPALITY: _____ City _____ of _____ Thunder Bay _____
in the Region, County or District of: _____ Thunder Bay _____

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the determination of grants under the Ontario Unconditional Grants Act, and to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

	Attached
1 Analysis of Revenue Fund Revenues	<u>X</u>
21.T Analysis of Taxation	<u>X</u>
2UT Analysis of Upper Tier Requisitions and Direct Charges	<u>N/A</u>
2MA Analysis of Taxation in Merged Areas	<u>N/A</u>
3 Analysis of Current Revenue for Specific Functions	<u>X</u>
4 Analysis of Revenue Fund Expenditures	<u>X</u>
5 Analysis of Capital Operations	<u>X</u>
6 Analysis of Capital Grants and Own Expenditures	<u>X</u>
7 Analysis of Net Long Term Liabilities By Function	<u>X</u>
8 Analysis of Long Term Liabilities and Commitments	<u>X</u>
91.T Continuity of Upper Tier and School Board Levies	<u>X</u>
10 Continuity of Reserves and Reserve Funds	<u>X</u>
11 Analysis of Consolidated Year End Balances	<u>X</u>
12 Statistical Data	<u>X</u>
13 Grant Information	<u>X</u>
14 Grant Information	<u>N/A</u>

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

Waterworks Utility
Transit
Parking Authority
Cemeteries
Emergency Measures Organization
Thunder Bay Public Library
Thunder Bay District Health Unit

Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

The schedules have been prepared by _____ City of Thunder Bay _____
(Auditor's firm or name of Municipality)
Questions regarding the information contained in them should be addressed to _____ Paul Milligan _____
Deputy City Treasurer _____ 807-625-2379 _____
(Area code and telephone)

Date April 15 1986

Municipal Treasurer

To The Ministry of
Municipal Affairs and Housing

Our examination of the financial statements of the Corporation of the City of Thunder Bay and of its local boards and enterprises for the year ended December 31, 1985 was made for the purpose of forming an opinion on the financial statements referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers dated April 12, 1986.

At your request, we have performed the following procedures in connection with schedules 1 to 11 of the City of Thunder Bay for the year ended December 31, 1985:

- (a) We have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;
- (b) We have added and cross-added all schedules; and
- (c) We have cross-referenced the information on the schedules where applicable.

The above-noted schedules have not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly we do not express an opinion on this information.

Thunder Bay, Canada
April 12, 1986

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 1217

Thorne Riddell

Thorne Riddell
Chartered Accountants
Licence No. 1086

ANALYSIS OF REVENUE FUND
REVENUES

for the year ended December 31, 1985

Municipality

CITY OF THUNDER BAY

1
3

		total revenue	upper tier purposes	school board purposes	own purposes
		1	2	3	4
		\$	\$	\$	\$
Note: Upper tiers use column 4 only					
Taxation					
Taxation from schedule 21.1 (or requisitions from schedule 2UT)	1	78,127,642		35,663,407	42,464,235
Direct water billings on ratepayers					
own municipality	2	6,364,186			6,364,186
— other municipalities	3				
Sewer surcharge on direct water billings					
own municipality	4				
— other municipalities	5				
Subtotal	6	84,491,828		35,663,407	48,828,421
Payments in lieu of taxes					
Canada	7	660,200			660,200
Canada enterprises	8	79,571			79,571
Ontario					
The Municipal Tax Assistance Act	9	394,708			394,708
The Municipal Act, section 160	10	390,800			390,800
Other	11				
Ontario enterprises					
Ontario Housing Corporation	12	1,154,998		525,639	629,359
Ontario Hydro	13	483,170			483,170
Liquor Control Board of Ontario	14	120,165			120,165
Other	15				
Municipal enterprises	16	1,424,342		321,537	1,102,805
Other municipalities and enterprises	17				
Subtotal	18	4,707,954		847,176	3,860,778
Ontario unconditional grants					
Per household general	19	1,256,910			1,256,910
Per household police	20	2,094,850			2,094,850
Per household density	21				
Transitional and special assistance	22				
Resource equalization	23				
General support	24	3,765,545			3,765,545
Northern special support	25	11,296,636			11,296,636
Apportionment guarantee	26				
Revenue guarantee	27	6,351,832			6,351,832
Subtotal	28	24,765,773			24,765,773
Revenues for specific functions					
Ontario specific grants	29	22,458,735			22,458,735
Canada specific grants	30	103,780			103,780
Other municipalities—grants and fees	31	174,553			174,553
Fees, service charges and donations	32	13,104,561			13,104,561
Subtotal	33	35,846,629			35,846,629
Other revenue					
Trailer revenue and licences	34				
Licences and permits	35	493,587			493,587
Fines	37	326,203			326,203
Penalties and interest on taxes	38	526,659			526,659
Investment income—from own funds	39				
—other	40	2,644,451			2,644,451
Lot levies and subdivider contributions	41	299,770			299,770
Sale of publications, equipment, etc.	42	80,390			80,390
Contributions from capital fund	43				
Contributions from reserves and reserve funds	44	34,274			34,274
Contributions from non consolidated entities	45				
Loan Repayment	46	25,000			25,000
Grant from Ont. Library Service	47	54,919			54,919
Other	48	50,371			50,371
Sale of land	49				
Subtotal	50	4,535,624			4,535,624
Total revenue	51	154,347,808		36,510,583	117,837,225

LOCAL TAXABLE ASSESSMENT										MILL RATES			TAXES LEVIED				SUPPLEMENTARY TAXES				TOTAL TAXES
for computer and data		residential and farm	commercial and industrial	business	residential and farm	commercial and industrial	business	residential and farm	commercial and industrial	business	residential and farm	commercial and industrial	business	residential and farm	commercial and industrial	business	total	column 8 to 11	total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20		
I. Own purposes																					
(a) Levied by mill rate																					
General																					
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
Special area rates and police villages																					
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
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0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
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0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1		
0	1	0	1	0	1	0	1	0	1												

ANALYSIS OF CURRENT REVENUE
FOR SPECIFIC FUNCTIONS

for the year ended December 31, 1985

Municipality

CITY OF THUNDER BAY

3
7

		Ontario specific grants	Canada grants	other municipalities, grants, fees, and service charges	fees, service charges and donations
		1 \$	2 \$	3 \$	4 \$
General government	1	34,374	1,949	5,182	356,320
Protection to persons and property					
Fire	2	9,000			1,050
Police	3		24,975		49,680
Conservation authority	4				
Protective inspection and control	5				76,515
Emergency Measures Organization	6	3,477	23,619	10,986	2,400
Subtotal	7	12,477	48,594	10,986	129,645
Transportation services					
Roadways	8	1,452,553			37,275
Winter control	9	1,004,385			
Transit	10	2,092,004			2,868,606
Parking	11				956,293
Street lighting	12				
Air transportation	13				
Subtotal	15	4,548,942			3,862,174
Environmental services					
Sanitary sewer system	16				9,877
Storm sewer system	17				
Waterworks system	18				8,348
Garbage collection	19				17,960
Garbage disposal	20				387,348
Pollution control	21				
Subtotal	23				423,533
Health services					
Public health services	24	2,609,906	6,840	141,261	
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				107,285
Subtotal	30	2,609,906	6,840	141,261	107,285
Social and family services					
General assistance	31	5,831,323			34,359
Assistance to aged persons	32	8,015,326		176	4,419,643
Assistance to children	33	820,100			530,503
Day nurseries	34				
Assistance to Physically Disabled	35	246,407			
Subtotal	36	14,913,156		176	4,984,505
Recreation and cultural services					
Parks and recreation	37	27,236	3,099		2,817,068
Libraries	38	300,107	20,261	16,948	36,808
Other cultural	39	3,966			
Subtotal	40	331,309	23,360	16,948	2,853,876
Planning and development					
Planning and zoning	41				87,168
Commercial and industrial	42		11,127		300,055
Residential development	43	8,571	16,910		
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
Subtotal	47	8,571	28,037		387,223
Electricity	48				
Gas	49				
Telephone	50				
Total	51	22,458,735	108,780	174,553	13,104,561

ANALYSIS OF REVENUE FUND
EXPENDITURES

for the year ended December 31, 1945

CITY OF THUNDER BAY

Municipality

General government														
Protection to persons and property														
1	Fire	4,017,055	41,315	2,002,963	1,654,686	5,500								7,551,118
2	Police	8,577,193	14,326	511,798	1,484,273									10,930,736
3	Conservation authority	11,023,392		870,405	76,418									12,373,021
4	Protective inspection and control													2,804
5	Unclassified	325,320		43,612	6,189	369,773								369,773
6	Subtotal	11,368,772	14,326	1,424,775	1,567,389	369,773								12,742,955
Transportation services														
7	Roadways	20,239,216												20,239,216
8	Winter control													
9	Transit	4,136,547	710,457	1,993,643	2,445,540									9,344,891
10	Parking	1,053,936		1,277,643	1,141,108									3,472,687
11	Street lighting	6,005,721	45,723	2,210,920	1,707,720									10,970,164
12	Air transportation	399,224	630,141	656,676	1,72,902									3,408,843
13	Unclassified	152,296		681,795	305,825									1,139,916
14	Subtotal	22,826,030	1,386,326	6,878,025	5,575,385									36,666,766
Environmental services														
15	Sanitary sewer system	11,922,871												11,922,871
16	Storm sewer system	1,025,222	2,239,109	1,834,330	1,764,403									6,862,964
17	Waterworks system	2,417,933	1,917,589	1,606,375	2,454,546									8,396,443
18	Garbage collection	1,422,221	356,322	356,322	1,121,991									3,256,856
19	Garbage disposal	395,557		268,480	9,940									673,977
20	Pollution control			1,768										1,768
21	Subtotal	16,153,584	4,412,918	4,079,435	5,350,882									30,036,819
Health services														
22	Public health services	2,502,251		600,194	151,047									3,253,492
23	Hospitals													
24	Ambulance services													
25	Cemeteries													
26	Subtotal	2,502,251		600,194	151,047									3,253,492
Social and family services														
27	General assistance	2,169,984		967,067	1,029									3,137,060
28	Assistance to aged persons	12,551,766	53,720	2,164,785	1,029									15,731,290
29	Assistance to children	8,429,429		50,970	1,029									8,481,428
30	Day nurseries	8,429,429		50,970	1,029									8,481,428
31	Assistance to physically disabled	13,259,225	53,720	3,789,972	1,029									21,043,946
32	Subtotal	36,839,803	107,440	6,901,793	2,058									43,849,094
Recreation and cultural services														
33	Parks and recreation	6,722,222		3,789,972	1,029									10,513,252
34	Libraries													
35	Other cultural													
36	Subtotal	6,722,222		3,789,972	1,029									10,513,252
Planning and development														
37	Commercial and industrial	933,193		177,537	1,029									1,111,759
38	Residential development	2,265,222		1,012,325	1,029									3,279,606
39	Agriculture and reforestation	13,623		3,393	1,029									17,045
40	The drainage-shoreline assistance	3,023,423		1,182,827	1,029									4,207,282
41	South Core Revitalization													
42	Subtotal	15,645,061		3,373,781	4,086									19,022,928
Electricity														
43	Gas													
44	Telephone													
45	Subtotal													
Total														
51		62,722,772	7,058,319	25,257,663	11,075,151	7,590,138								119,730,210

Total of column 2 includes:		Total of column 3 includes:		Total of column 4 includes:		Total of column 5 includes:		Total of column 6 includes:		Total of column 7 includes:	
Payments to Ontario in respect of Downtown Revitalization Program loans 81		Ministry of the Environment		Grants to charitable and non-profit organizations		Grants to universities and colleges		Grants to universities and colleges		Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board. Exclude debt charges reported in column 2.	
- Accrued interest (enter an amount only if the charge to the accrual basis was made in this reporting year) 82		Provincial projects service charges		Grants to universities and colleges		Contributions to UNCONSOLIDATED joint local boards		Contributions to UNCONSOLIDATED joint local boards		Members of council	
Interest portion of transit debt charges included on line 10 83		-water		Short term interest costs		Health unit		Health unit		Line 51 of column 7 includes:	
		Provincial projects fromage and connection charges—water				Home for the aged		Home for the aged		Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board. Exclude debt charges reported in column 2.	
		-sewer				Recreation board(s)		Recreation board(s)			
		Joint projects operating charges				Fire area board		Fire area board			
		-water				Suburban roads commission		Suburban roads commission			

ANALYSIS OF CAPITAL OPERATIONS

for the year ended December 31, 1985

Municipality

CITY OF THUNDER BAY

5
9

		1 \$
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1	(2,486,156)
Sources of financing		
Contributions from own funds	2	6,524,537
Revenue fund	3	4,484,557
Reserves and reserve funds	4	11,009,094
Subtotal	4	
Long term liabilities incurred		
Central Mortgage and Housing Corporation	5	
Ontario Municipal Improvement Corporation	7	
Commercial Area Improvement Program	9	
Other Ontario housing programs	10	
Ministry of the Environment	11	
Tile drainage and shoreline property assistance programs	12	
The Public	13	
Serial debentures	14	
Sinking fund debentures	15	
	16	
	17	
Subtotal*	18	
Grants and loan forgiveness		
Ontario	20	6,806,807
Canada	21	786,101
Other municipalities	22	27,300
Subtotal	23	7,620,208
Other financing		
Prepaid special charges	24	115,012
Proceeds from sale of fixed assets	25	1,475,989
Investment income		
From own funds	26	
Other	27	217,235
Donations	28	876,724
Lot levies and subdivider contributions	29	
Insurance Proceeds	30	15,579
Other Financing	31	35,586
Subtotal	32	2,736,125
Total sources of financing	33	21,365,427
Applications		
Own expenditures		
Short term interest costs	34	
Other	35	23,785,178
Subtotal	36	23,785,178
Transfers of proceeds from long term liabilities to:		
Other municipalities	37	
Unconsolidated local boards	38	
Individuals	39	
Subtotal	40	
Transfers to reserves, reserve funds and the revenue fund	41	
Total applications	42	23,785,178
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43	(66,405)
Amount reported in line 43 analysed as follows:		
Unapplied capital receipts	44	(3,360,930)
To be recovered from:		
—taxation or user charges within term of council	45	
—proceeds from long term liabilities	46	3,294,526
—transfers from reserves and reserve funds	47	
—other (specify)	48	
Total unfinanced capital outlay (unexpended capital financing)	49	(66,405)
*amount in line 18 raised on behalf of other municipalities	19	

ANALYSIS OF CAPITAL GRANTS
AND OWN EXPENDITURES

for the year ended December 31, 1985

Municipality

CITY OF THUNDER BAY

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10

		CAPITAL GRANTS			TOTAL OWN EXPENDITURES
		Ontario grants	Canada grants	Other municipalities	
		1	2	3	4
		\$	\$	\$	\$
General government	1	974			301,632
Protection to persons and property					
Fire	2				2,282,380
Police	3				808,952
Conservation authority	4				
Protective inspection and control	5				5,989
	6				
Subtotal	7				3,097,321
Transportation services					
Roadways	8	2,902,576	(13,899)		5,738,704
Winter control	9				84,108
Transit	10	15,310			76,286
Parking	11				19,927
Street lighting	12				274,825
Air transportation	13				
Unclassified Public Works	14				98,565
Subtotal	15	2,917,886	(13,899)		6,292,415
Environmental services					
Sanitary sewer system	16				696,365
Storm sewer system	17	97,066			209,640
Waterworks system	18	106,600			1,136,783
Garbage collection	19				237,088
Garbage disposal	20	5,339			74,620
Pollution control	21				
	22				
Subtotal	23	209,005			2,354,496
Health services					
Public health services	24	1,465,138		27,300	2,264,395
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				
	29				
Subtotal	30	1,465,138		27,300	2,264,395
Social and family services					
General assistance	31				19,028
Assistance to aged persons	32	241,517			427,495
Assistance to children	33	1,929			
Day nurseries	34				18,499
	35				
Subtotal	36	243,446			465,022
Recreation and cultural services					
Parks and recreation	37	261,356			1,862,494
Libraries	38				259,135
Other cultural	39	1,718,482	800,000		5,825,908
Subtotal	40	1,979,838	800,000		7,947,537
Planning and development					
Planning and zoning	41				18,617
Commercial and industrial	42				455,441
Residential development	43	(9,480)			588,282
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
	46				
Subtotal	47	(9,480)			1,062,340
Electricity	48				
Gas	49				
Telephone	50				
Total	51	6,806,807	786,101	27,300	23,785,178

ANALYSIS OF NET LONG TERM
LIABILITIES BY FUNCTION

as at December 31, 1985

Municipality

CITY OF THUNDER BAY

7
11

		1 \$
General government	1	39,208
Protection to persons and property		
Fire	2	72,675
Police	3	
Conservation authority	4	
Protective inspection and control	5	
	6	
Subtotal	7	72,675
Transportation services		
Roadways	8	2,842,000
Winter control	9	
Transit	10	275,810
Parking	11	2,356,000
Street lighting	12	
Air transportation	13	
. Unclassified Public Works	14	418,515
Subtotal	15	5,892,325
Environmental services		
Sanitary sewer system	16	14,149,346
Storm sewer system	17	3,432,177
Waterworks system	18	9,057,928
Garbage collection	19	
Garbage disposal	20	
Pollution control	21	
	22	
Subtotal	23	26,639,451
Health services		
Public health services	24	
Public health inspections and control	25	
Hospitals	26	118,000
Ambulance services	27	
Cemeteries	28	
	29	
Subtotal	30	118,000
Social and family services		
General assistance	31	
Assistance to aged persons	32	173,000
Assistance to children	33	
Day nurseries	34	
	35	
Subtotal	36	173,000
Recreation and cultural services		
Parks and recreation	37	1,414,051
Libraries	38	348,000
Other cultural	39	
Subtotal	40	1,762,051
Planning and development		
Planning and zoning	41	726,000
Commercial and industrial	42	
Residential development	43	
Agriculture and reforestation	44	
Tile drainage/shoreline assistance	45	
. South Core Revitalization	46	3,994,825
Subtotal	47	4,720,825
Electricity	48	1,954,000
Gas	49	
Telephone	50	2,900,000
Total	51	44,271,535

ANALYSIS OF LONG TERM LIABILITIES AND COMMITMENTS for the year ended December 31, 1985

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CITY OF THUNDER BAY

Municipality

1. Calculation of debt burden of the municipality All debt issued by the municipality, predecessor municipalities and consolidated entities : To Ontario and agencies : To Canada and agencies : To other	1	\$	31,460,230
	2	\$	8,377,604
Subtotal	3	\$	26,677,446
	4	\$	47,013,305
Plus: All debt assumed by the municipality from others			
Less: All debt assumed by others : Ontario : Schoolboards : Other municipalities	5		
	6	\$	284,343
Subtotal	7	\$	284,343
	8	\$	1,825,603
Less: Ministry of the Environment debt retirement funds			
—sewer —water	9	\$	825,603
	10	\$	825,603
Own sinking funds (actual balances)			
—general municipal —enterprises and other	11	\$	2,379,527
	12	\$	2,379,527
Subtotal	13	\$	2,379,527
	14	\$	44,271,535
Total			
Sinking fund debentures Installment (serial) debentures Long term bank loans Lease purchase agreements Mortgages	15	\$	33,113,794
	16	\$	33,113,794
Ministry of the Environment Ministry of Housing - Loan Re: McVicar's Creek Culvert Ministry of Housing - Downtown Revitalization	17	\$	2,011,916
	18	\$	2,011,916
Total debt payable in foreign currencies (net of sinking fund holdings) L.S. dollars - Canadian dollar equivalent included in line 15 above —par value of this amount in U.S. dollars Note 1 Other - Canadian dollar equivalent included in line 15 above —par value of this amount in -	19	\$	129,000
	20	\$	129,000
Total debt payable in foreign currencies (net of sinking fund holdings) L.S. dollars - Canadian dollar equivalent included in line 15 above —par value of this amount in U.S. dollars Note 1 Other - Canadian dollar equivalent included in line 15 above —par value of this amount in -	21	\$	5,395,000
	22	\$	5,395,000
Interest earned on sinking funds and debt retirement funds during the year Own funds Ministry of the Environment - sewer —water	23	\$	181,423
	24	\$	181,423
Total			
4. Actual balance of own sinking funds at year end	25	\$	64,397
	26	\$	64,397
5. Long term commitments and contingencies at year end Total liability under OMBERS plans —initial unfunded (payable over 33 years) (number of employees 271) —actuarial deficiency (payable over 33 years) Total liability for own pension funds —initial unfunded (payable over 33 years) (number of employees 1) —actuarial deficiency (payable over 33 years) Outstanding loans guaranteed (payable over 33 years) Commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board —hospital support —university support —leaves and other agreements (Ontario Human Services) Other (specify)	27	\$	2,342,400
	28	\$	2,342,400
Total	29	\$	44,271,535
	30	\$	44,271,535

6. Ministry of the Environment Provincial Projects Water projects - for this municipality only —share of integrated projects Sewer projects - for this municipality only —share of integrated projects	1	\$	2	\$	3	\$
	46	\$	47	\$	48	\$
7. 1985 Debt Charges Recovered from the consolidated revenue fund —general tax rates —special area rates and special charges —benefiting landowners —user rates (consolidated entities) Recovered from reserve funds —hydro —gas and telephone — — —						
Principal	1	\$	2	\$	3	\$
	50	\$	51	\$	52	\$
Interest	1	\$	2	\$	3	\$
	53	\$	54	\$	55	\$
Total	56	\$	57	\$	58	\$
	59	\$	60	\$	61	\$
8. Future principal and interest payments on existing net debt recovered from the consolidated revenue fund recovered from unconsolidated entities						
Principal	1	\$	2	\$	3	\$
	62	\$	63	\$	64	\$
Interest	1	\$	2	\$	3	\$
	65	\$	66	\$	67	\$
Total	68	\$	69	\$	70	\$
	71	\$	72	\$	73	\$
9. Future principal payments on expected new debt includes interest to be earned on Ministry of the Environment debt retirement funds						
Principal	1	\$	2	\$	3	\$
	74	\$	75	\$	76	\$
Interest	1	\$	2	\$	3	\$
	77	\$	78	\$	79	\$
Total	80	\$	81	\$	82	\$
	83	\$	84	\$	85	\$
10. Other notes (attach supporting schedule as required)						
Principal	1	\$	2	\$	3	\$
	86	\$	87	\$	88	\$
Interest	1	\$	2	\$	3	\$
	89	\$	90	\$	91	\$
Total	92	\$	93	\$	94	\$
	95	\$	96	\$	97	\$

NOTES

1. Debt Payable in Foreign Currencies

- (a) The Canadian dollar equivalent at December 31, 1985, using the rate of exchange in effect at the time of each U.S. debenture issue is \$6,682,861, a difference of \$87,861 from the par value in U.S. dollars. The net long term liabilities as shown on Schedules 7, 8 and 11 have not been restated to reflect this difference.
- (b) The Canadian dollar equivalent at December 31, 1985, using the rate of exchange in effect as at December 31, 1985, is \$9,192,000. The exchange premium is funded each year by a provision from the revenue fund.

for the year ended December 31, 1965

Adaptive Capacity

CITY OF THUNDER BAY

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[illegible]

CONTINUITY OF RESERVES
AND RESERVE FUNDS

for the year ended December 31, 1985

CITY OF THUNDER BAY

10
15

		\$
Balance at beginning of year	1	30,076,347
Revenues		
Contributions from revenue fund	2	4,486,816
Contributions from capital fund	3	
Lot levies and subdivider contributions	60	
Recreational land (the Planning Act)	61	
Investment income—from own funds	5	2,159,203
—other	6	
Contribution from Community Auditorium	9	59,747
Contribution from Telephone	10	311,476
Contribution from Hydro	11	324,349
Group Life Insurance Rebate	12	148,896
Total revenue	13	7,490,487
Expenditures		
Transferred to capital fund	14	4,484,557
Transferred to revenue fund	15	34,274
Charges for long term liabilities—principal and interest	16	14,333
Transfer of Ontario Home Renewal Plan to trust fund	62	1,074,057
Exchange on U.S. Debentures	63	328,173
Municipal Portion of Severance Plan Payments	20	5,647
	21	
Total expenditure	22	5,941,041
Balance at end of year for:		
Reserves	23	5,386,452
Reserve Funds	24	26,239,341
Total	25	31,625,793
analysed as follows:		
Working funds	26	4,300,000
Contingencies	27	
Ministry of the Environment fund for renewals, etc.		
—sewer	28	
—water	29	129,674
Replacement of equipment	30	968,123
Sick leave	31	4,459,790
Insurance	32	4,776,737
Workmen's compensation	33	
Capital expenditure—general administration	34	2,811,302
—roads	35	2,086,909
—sanitary and storm sewers	36	359,082
—parks and recreation	64	1,218,178
—library	65	
—other cultural	66	
—water	38	
—transit	39	118,329
—housing	40	44,728
—industrial development	41	61,800
—other and unspecified	42	1,470,994
Lot levies and subdivider contributions	44	
Recreational land (the Planning Act)	46	1,383,300
Parking revenues	45	53,077
Debenture repayment	47	4,560,067
Exchange rate stabilization	48	675,246
Waterworks current purposes	49	
Transit current purposes	50	
Library current purposes	51	124,082
Benefit Rate Stabilization	52	994,482
McVicars Creek	53	147,107
Community Centres Capital Purposes	54	40,186
Sewage Treatment Plan Contingency	55	771,401
Health Unit Severance Plan Allowances	56	71,199
	57	
Total	58	31,625,793

ANALYSIS OF
CONSOLIDATED YEAR END
BALANCES
as at December 31, 1985

Municipality

CITY OF THUNDER BAY

11
16

		1	2
		\$	\$
ASSETS			
Current assets			portion of cash not in chartered banks
Cash	1	26,200,575	8,607,481
Accounts receivable			
Canada	2	643,671	
Ontario	3	7,762,862	
Region or county	4		
Other municipalities	5	3,063	
School boards	6	50,869	
Waterworks	7	1,818,584	portion of taxes receivable for business taxes
Other (including unorganized areas)	8	1,568,276	
Taxes receivable			
Current year's levies	9	2,279,824	299,054
Previous year's levies	10	825,674	56,114
Prior years' levies	11	153,875	29,517
Penalties and interest	12	198,817	23,455
Less allowance for uncollectables	13	(155,462)	(155,462)
Investments (market value \$)			
Canada	14		
Provincial	15		
Municipal	16		
Other	17		
Other current assets	18	1,908,276	portion of line 20 for tax sale/tax registration
Capital outlay to be recovered in future years	19	44,271,535	
Other long term assets	20	329,004	388,114
Total	21	87,859,443	
LIABILITIES			
Current liabilities			portion of loans not from chartered banks
Temporary loans—current purposes	22		
—capital—Ontario	23		
—Canada	24		
—Other	25		
Accounts payable and accrued liabilities			
Canada	26		
Ontario	27		
Region or county	28		
Other municipalities	29		
School boards	30		
Trade accounts payable	31		
Other	32	13,889,698	
Other current liabilities	33	249,417	
Net long term liabilities			
Recoverable from the Consolidated Revenue Fund			
—general tax rates	34	9,250,399	
—special area rates and special charges	35	15,346,420	
—benefitting landowners	36	3,001,479	
—user rates (consolidated entities)	37	11,689,737	
Recoverable from Reserve Funds	38	129,000	
Recoverable from unconsolidated entities	39	4,854,000	
Less: Own holdings	40	(8,249,400)	
Reserves and reserve funds	41	11,625,793	
Accumulated net revenue (deficit)			
General revenue	42	3,070,289	
Special charges and special areas (specify)			
Business Improvement Area	43	37,248	
Local Improvement Pre-Levies	44	501,293	
Special Areas - Garbage Collection and Disposal	45	(84,210)	
- Street Lighting	46	67,699	
- Sewage and Drainage	47	61,056	
- Public Transportation	48	160,369	
Consolidated local boards (specify)			
Transit operations	49		
Water operations	50	2,046,047	
Libraries	51	117,930	
Cemeteries	52		
Recreation, community centres and arenas	53		
Thunder Bay District Health Unit	54	18,994	
	55		
	56		
Region or county	57	(10,720)	
School boards	58	66,405	
Unexpended capital financing/(unfinanced capital outlay)	59	87,859,443	
Total	59	87,859,443	

[illegible]

7. Analysis of direct water and sewer billings as at December 31				
	number of residential units	1985 billings		for computer use only
		residential units	all other properties	
In this municipality	39			
In other municipalities (specify municipality)				
40				
41				
42				
43				
44				

8. Selected investments of own sinking funds as at December 31				
	number of residential units	1985 billings		for computer use only
		residential units	all other properties	
In this municipality	44			
In other municipalities (specify municipality)				
45				
46				
47				
48				
49				

9. Loans or advances due to reserve funds as at December 31				
	number of residential units	1985 billings		for computer use only
		residential units	all other properties	
In this municipality	44			
In other municipalities (specify municipality)				
50				
51				
52				

10. Joint boards consolidated by this municipality				
name of joint boards	total board expenditure	contribution from this municipality	this municipality's share of total municipal contributions	for computer use only
Emergency Measures	84,931	40,350	78.60	
Thunder Bay District Health Unit	3,192,232	505,339	78.15	
	55			
	56			
	57			

11. Applications to the Ontario Municipal Board as at December 31, 1985				
	total board expenditure	contribution from this municipality	this municipality's share of total municipal contributions	for computer use only
tile drainage, shoreline assistance, dip-netting, revegetation, electricity, gas, telephone	67			
	68			
	69			
	70			
	71			
	72			

12. Forecast of total revenue fund expenditures as at December 31, 1985				
	total board expenditure	contribution from this municipality	this municipality's share of total municipal contributions	for computer use only
tile drainage, shoreline assistance, dip-netting, revegetation, electricity, gas, telephone	67			
	68			
	69			
	70			
	71			
	72			

AUDITOR'S REPORT

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To The Ministry of
Municipal Affairs and Housing

We have examined grant information schedule 13 of the Financial Information Return of the Corporation of the City of Thunder Bay for the year ended December 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this schedule presents fairly the grant information shown therein in accordance with instructions issued by the Ministry of Municipal Affairs and Housing for the year 1985.

Thunder Bay, Canada
April 12, 1986.

Clarkson Gordon

Clarkson Gordon
Chartered Accountants
Licence No. 1217

Thorne Riddell

Thorne Riddell
Chartered Accountants
Licence No. 1086

GRANT INFORMATION

for the year ended December 31, 1985

Municipality

CITY OF THUNDER BAY

13
18

ANALYSIS OF REVENUE FUND REVENUES

1

Note: Upper tiers use column 4 only.

	upper tier purposes 2 \$	own purposes 4 \$
Taxation		
Direct water billings on ratepayers - own municipality	2	6,364,186
Sewer surcharge on direct water billings - own municipality	4	
Payments in lieu of taxes		
Subtotal	18	3,860,778

2LT

ANALYSIS OF TAXATION

LOCAL TAXABLE ASSESSMENT

		residential and farm 1 \$	commercial and industrial 2 \$	business 3 \$
I. Own purposes				
(a) Levied by mill rate				
General	30	130,076,102	86,010,291	33,196,605
police villages at reduced rates	31			
farms at reduced rates	32			

TAXES LEVIED

		commercial and industrial 7 \$	business 8 \$	total 12 \$
Subtotal levied by mill rate	1	15,415,635	5,916,181	
Share of telephone and telegraph taxation	2			295,745
Total own purposes taxation	4			42,464,235
II. Upper tier purposes				
Subtotal levied by mill rate	5			
share of telephone and telegraph taxation	6			
Total upper tier taxation	8			

5

ANALYSIS OF CAPITAL OPERATIONS

Other financing
Prepaid special charges

24 115,012